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DEPARTMENT OF ADMINISTRATION

DIVISION OF CENTRAL SERVICES
ANNUAL REPORT

1988

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Charts and graphs are shown in italics

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The Tenth Annual Report of the Division of Central Services

Fiscal Year 1987-1988 ended June 30, 1988

Department of Administration

Jack E. Keene, Director of Central Services

This annual report has been published pursuant to the requirement of Colorado Revised Statute 24-30-1109. All aspects of the design and production of this annual report have been accomplished by the employees of the Division of Central Services.

December 1, 1988

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1 Director's Message

Two major misfortunes occurred in Fiscal Year 1987-88. First, the death of my Assistant Director, Lloyd Kellems, which occurred unexpectedly December 21, 1987. Lloyd's loss will be with us for a long time. Lloyd was not only an excellent assistant, but a friend. Lloyd was instrumental in helping Central Services reach the success it has achieved over the years.

Second major misfortune was the closing of Central Stores by the General Assembly. The office supplies part of Stores was eliminated and the forms part was transferred to Correctional Industries. I'm sure that prices will increase since the vendor will have to make many small deliveries, bill many agencies, etc., where in the past Central Stores utilized the power of bulk purchases and paid vendors on one invoice.

Two other events of a more pleasant nature also took place. One was the Governor's executive order on Fleet Management, that was the result of the State Auditor's report and the legislature's consideration of Senate Bill 190.

The executive order established the Motor Vehicle Advisory Council, whose purpose is to set policy and procedures for management of the State fleet. It also directed Central Services to set up a computer system to inventory and provide standard cost information for all state passenger-type vehicles.

The last major event was the transfer of the Central Collection Service to Central Services. The purpose of this transfer was to place the State collection operation in an environment with similar missions.

The Division's charge back rates were not changed appreciably in 1987-88 because labor rates remained static. Normally, our rates change only to reflect increases in materials and personal services rates.

We also checked our competitiveness by bidding out four activities to the private sector. In all four cases, our prices were cheaper than those of private vendors.

Two activities that Central Services performs that are not as visible as our other services are the phone book and the organization chart. The phone book is a yearly activity and is produced at no cost to the users. A private company produces the book in return for the revenues on yellow pages advertising. The State's only cost is coordination and management. The organization chart is produced every five to seven years and shows all statutory departments, divisions, boards, etc.

Central Collections is a new activity for Central Services as of February 1, 1988. The department felt that Collections has a similar mission to Central Services and, therefore, would perform better under our management. We welcome Collections' staff into our organization and look forward to an excellent relationship.

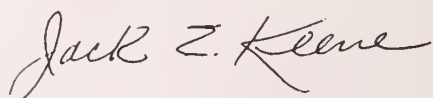
The Stores' personnel that have been transferred to the Department of Corrections as of July 1, 1988, will be missed. Many of the people in Central Stores have worked for the State for years and have contributed much to Stores' past successes. My thanks to the Stores' personnel.

Basically, Central Services had another successful year. Overall, the Division made a profit although some small losses did occur in some cost centers. We had sales of \$13,181,997, and a profit of \$96,254.

As they have since Central Services was created, our employees have made the difference again! This has repeatedly been exhibited in the Division's awards program as well as comments from customers. Again, my thanks!

This annual report is intended to satisfy the requirements of Colorado Revised Statute 24-30-1109 and is authorized for that purpose.

Jack E. Keene



Director of Central Services
December 1, 1988

2 INTRODUCTION

The Division of Central Services, a statutory division of the Department of Administration originally organized in 1976, maintains its headquarters at 225 East 16th Avenue, Suite 1050, Denver. The Division's primary purpose is to furnish support services to other agencies of the executive branch of State government. Enabling legislation is contained in Colorado Revised Statute 24-30-1101 *et seq.* Prior to legislative creation, the Division operated by authority extended through an executive order dated February 17, 1976.

This annual report has been prepared and distributed pursuant to the provisions of Colorado Revised Statute 24-30-1109. This report reflects Division operations during Fiscal Year 1987-1988 and includes, but is not limited to:

- a. Annual profit and loss statements for each Division function.
- b. Annual profit and loss statements for overall Division operations.
- c. Major equipment and personnel inventories.
- d. Scope of present and planned services.
- e. Advice on major problems connected with implementation of the Division's enabling legislation.
- f. An estimate of savings due to Division operations.

3 Mission and Goal

The Division has a two-part mission. Most apparent is the mission to furnish commonly used support services to agencies of the executive branch of State government located in Adams, Arapahoe and Jefferson counties, and the City and County of Denver. Support services currently offered include: offset printing, mail and messenger services, microfilm exposure and duplication, graphic design, and typographic services. The Division also operates a motor pool, vehicle repair service, office supply and forms warehouse (office supply vending operations ceased June 30, 1988), and it vends motor fuel. Central Services creates identification credentials, the

State of Colorado Telephone Directory and a State government organization chart entitled "Organization of State Government in Colorado".

Simply furnishing commonly used support services is not the sole justification for Central Services. Effective management of the service resources of the State of Colorado completes the Division's mission. By statute, Central Services is charged to establish central planning, control, and coordination of service activities. The Division has established several management programs: the Office Copier Management Program, the Fleet Management Program and the Service Equipment Request Program.

Division responsibilities include the approval of all service equipment acquisitions and staffing patterns of service functions for State agencies in its four-county service area. Funding is earned by charging user agencies for goods delivered and services rendered. State law requires that all such charges be made at competitive rates. As a revolving fund agency, Central Services receives no appropriated general funds of any kind; the Division operates as an enterprise.

To achieve its mission, the Division plans, coordinates, controls and/or furnishes these support services through what may be described broadly as two types of programs:

- a. Consolidated service programs, and
- b. Management programs.

Consolidated service programs are those in which Central Services furnishes a good or service to its customers. Two examples of this type of program are the State Print Shop and the State Motor Pool. In management programs Central Services oversees the purveyance of a service by another supplier. Often the Division's role is one of contract administration/enforcement. Examples of management programs include the Copier Management Program and the Fleet Management Program.

The goal of the Division of Central Services is to reduce the State's cost for commonly used support services. The means of achieving the Division's goal are always evaluated by a study before any management decision is considered. Alternatives considered are: Leaving

the existing service structure intact; consolidating the existing service structure with that of the Division or some other service structure; creating a new service structure; and, contracting privately for the needed service.

Additional goals include controlling the proliferation of service equipment and operating personnel or planning rates of equipment proliferation that are consistent with planned growth. The measurement of benefits to Division customers is very straightforward in our consolidated service programs. Benefits are measured in terms of cost, delivery time, and quality of good or service furnished.

In management programs monetary benefits are delivered to the State while such benefits to individual State agencies are less evident. Such benefits can sometimes be gauged in terms of fiscal measurements but often require assessment in less tangible terms such as:

- a. Fraud prevention and control.
- b. Cost avoidance.
- c. Recirculation of State funds within the government framework.
- d. Avoidance of the cost of doing business within the private sector.
- e. Increased levels of service.
- f. Ancillary savings implied by furnishing a particular service. Intensive document microfilming, for example, implies savings in the areas of file cabinets, storage facilities, and custodial personnel.

4 Customer Service

The Division of Central Services is dedicated to providing quality service to its customers. Several programs have been implemented to increase the quality of service and customer satisfaction. Quality control programs monitor and control mechanisms within each operating unit of Central Services to regularly verify products and service levels. The Quality Assurance Program determines customer satisfaction through customer surveys, both written and oral.

Once the service has been provided, the Customer Service Program insures that the

customer is satisfied by resolving any complaints. The Division has adopted the following policy:

CUSTOMER SERVICE POLICY

We guarantee that the customer must be completely satisfied with our **PRODUCTS**, or we will replace them or refund the purchase price.

We guarantee that the customer must be completely satisfied with our **SERVICE**. If the service you receive does not meet with your satisfaction, notify us, and **WE WILL MAKE IT RIGHT.**

We will listen. All customer inquiries will be acknowledged within a maximum of two working days.

We are dedicated to satisfying our customers. Should you have any questions or problems, please contact our Customer Service Representative.

The program has been very helpful in improving the quality of service. While receipt of complaints cannot be the sole measure of performance for the Division, it is important to note that complaints regarding service have been significantly reduced.

The Customer Relations Program trains and motivates employees to satisfy the needs of the customer. This year an Orientation Program was instituted for all new Division employees. The program provides training in customer relations and telephone skills. In addition, on-going training is provided for employees of the Division. Believing that intensive training at all organizational levels is a critical first step to improving customer service performance, a Successful Supervision Seminar was presented to all supervisors in the Division. Supervisors from the Department of Administration were also invited. Over fifty supervisors attended the seminar presented by Lee Shelton, a nationally recognized trainer. The theme was that a total organizational commitment is essential to the success of customer relations. To motivate employees, the Division of Central Services' Awards of Merit was established five years ago. The awards recognize and reward those employees committed to quality service and excellence in performance.

The Division is sensitive to the feedback of its customers. Early in 1983, Central Services established an advisory Customer Panel. The panel represents the consumer's point of view concerning Central Services' policies, procedures and services. Panel members serve as a channel for feedback from State agencies and as a conduit for the dissemination of information to Division customers. Many valuable suggestions have been presented by panel members and our customers. Central Services believes that our customers are a valuable resource for product and service design. The current Customer Panel includes the following representatives from each department in the Capitol Complex:

Department of Regulatory Agencies	Linda Suter-Gibson
Department of Revenue	Diana Darling
Department of Labor & Employment	Jim Chase
Department of Local Affairs	Patrick McCune
Department of Education	Doris Eckman
Department of Agriculture	Kathy Shaffer
Department of Higher Education	Wayne Bulander
Department of Personnel	Nancy Reed
Department of Natural Resources	Bill Bley
Department of Administration	John Martinez
	Lucille Montoya
	Cindy Howe
	Nancy Dodson
	Michele Green
	Regina Kilkenny

5 Highlights

In February, 1988, management of the Central Collection Service was transferred from the Division of Accounts and Control to Central Services. A management agreement between Accounts and Control and Central Services, approved by the Department of Administration, was the vehicle for transfer. Mission compatibility and similarity of funding structures were the reasons for the transfer. Both Central Services and Central Collections operate out of revenues earned from fees charged for services.

Financial reports on Central Collections' activities are not part of this annual report. Fiscal affairs were reported through the Division of Accounts and Control for the fiscal year ended June 30, 1988. Full reportage of Central Collections as a Central Services' responsibility will commence with the beginning of Fiscal Year 1988-1989.

In October, 1987, the Department of Administration entered into an interagency agreement with the Department of Corrections. The agreement stipulated in relevant part that:

- Central Services would advertise and sell through Central Stores certain goods and supplies produced by the Division of Correctional Industries.
- An evaluation of printing performed in the Denver metropolitan area by other State agencies would begin so that criteria for determining which Division would have production responsibility for the work could be formulated.
- Certain types of printing work were to be sent to Correctional Industries immediately.
- Correctional Industries would begin an immediate evaluation of the market for certain specialized types of printing.

The agreement is reproduced in its entirety in the appendix of this report. In April the Joint Budget Committee of the General Assembly requested that the Department of Administration conduct a study of selected State-owned printing operations. Because of the overlap and parallel aspects of this and the earlier Corrections/Central Services study, the latter was subsumed in the JBC study. Findings and recommendations are expected late next fiscal year.

The newest version of the State organization chart — entitled "Organization of State Government in Colorado —" was released in October, 1987. The new chart updates the previous chart which was produced by the Division in 1978. All statutory and high level administrative state government structures through October 30, 1987 are documented graphically.

6 SELECTED FINANCIAL DATA

For fiscal year ended June 30, 1988

Sales	\$13,181,997
Net sales	\$ 8,714,407*
Profit (loss) on operations	\$ 96,254
Profit as a percentage of sales	0.73%
Personal services as a percentage of sales	23.80%
Total assets	\$ 8,140,124
Interest expense	\$ 429,027
Debt ratio as a percentage of total assets	74.00%**
Return on assets	1.18%***

* Sales less cost of goods sold.

** Cash due Dept. of Treasury divided by Total Assets as shown in Consolidated Balance Sheet.

*** Net income divided by Total Assets as shown in Consolidated Balance Sheet.

7 Discontinued Operations

The operations of Central Stores ceased June 30, 1988. The General Assembly failed to make funds available for Stores' continued operation in Fiscal Year 1988-1989. Transfer of the forms and publications portion of the Stores' operation to the Department of Corrections was also required. Further discussion of this transfer and its effects can be found in the "Unit Operations" section of this report.

8 Research and Development Costs

Research and development costs, principally for management studies conducted in-house or with contracted specialists, are recorded as expenses when incurred. They are recognized as administrative expenses to the Division. R & D burdens are spread throughout all revenue producing operations. Individual customers therefore bear an insignificant burden for the Division's research and development costs. Product/service prices to users are maintained at the lowest possible level.

9 Operating Names and Locations

Central Services' operating units perform services under the following name and title designations at the locations specified.

- a. Mail Services Section, 1525 Sherman Street, Room 15, Denver. This section also operates the **Incoming Revenue Mail Room**, 1375 Sherman Street, Room 148, Denver.
- b. Central Stores, 1001 East 62nd Avenue, Denver (discontinued June 30, 1989).
- c. State Print Shop, 1525 Sherman Street, Rooms 27 and 28, Denver.
- d. Office Copier Management Program, 225 East 16th Avenue, Suite 1050, Denver.
- e. Quick Copy Centers:
 1. 1313 Sherman Street, Room 1-B19, Denver.
 2. 3520 Oxford Avenue, Room B6, Denver.
 3. 1525 Sherman Street, Room 21, Denver.
 4. 251 East 12th Avenue, Room 201, Denver.
 5. 1575 Sherman Street, Room G26, Denver.
- f. State Motor Pool, 1555 Sherman Street, Denver.
- g. Design Center, 1525 Sherman Street, Room 590, Denver.
- h. State Microform Services, 1001 East 62nd Avenue, Denver.
- i. Fleet Management Program, 1001 East 62nd Avenue, Denver.
- j. State Garage, 1001 East 62nd Avenue, Denver.
- k. Central Collection Service, 225 East 16th Avenue, Room 550, Denver.

Other instrumentalities and activities of the Division are: the **State of Colorado Telephone Directory**, "Organization of State Government in Colorado" chart, State of Colorado Diners Club Corporate Card System and the issuance of State of Colorado identification credentials. All of these activities operate out of Division headquarters located at 225 East 16th Avenue, Suite 1050, Denver.

10 Raw Materials

The Division purchases its raw materials in the open market from Colorado manufacturers and distributors when available from Colorado sources. All purchases are made under the direction of the Division of Purchasing and in conformance to the Procurement Code. During Fiscal Year 1987-1988 Central Services was authorized by the Division of Purchasing to request bids for many commodities in Central Stores' inventory. By utilizing single point delivery, avoiding middlemen whenever possible and contracting for specific quantities representing a year's worth of consumption, the Division was able to achieve savings of \$55,424 over the then current state-wide award prices. The demise of Central Stores has meant the abandonment of this purchasing practice and the resultant benefits.

Central Services purchased \$131,273 in goods and services from the Division of Correctional Industries during the fiscal year. Central Stores' purchases at \$100,804 were the largest contributor to the total amount. Other contributors were the State Motor Pool, State Garage and the Fleet Management Program. Purchases are expected to decline sharply in the coming fiscal year due to the legislative discontinuance of Stores' operations.

11 Regulation and Oversight

Central Services operates under the authority of Colorado Revised Statute 24-30-1101 *et seq.* During the term of this report, no legislation that would impact its enabling legislation was proposed by the Division. Similarly, no new legislation impacting the Division's enabling statute was enacted by the Fifty-Sixth General Assembly.

House Bill 1356, the Fiscal Year 1988-1989 Long Bill, contained two footnotes pertaining to Central Services. They are quoted here at length.

4a Department of Administration, Central Services and Department of Corrections. Correctional Industries, Forms Warehousing and Distribution — Any equipment and

inventory that was associated with forms warehousing and distribution part of Central Stores shall be transferred to Correctional Industries Forms Warehousing and Distribution.

- 5 Department of Administration, Division of Central Services, Motor Pool/Garage/Fleet Management — There should be no expansion of the Fleet Management Program until a motor vehicle advisory council has been formed to: (1) review the State Auditor's performance audit results; (2) develop consistent standards for vehicle replacement, acquisition, justification, financing/budgeting, cost accounting, maintenance, and information management. All vehicles that are identified as no longer having any use to the state or any state agency should be transferred to the Division of Correctional Industries, Surplus Property Section, for disposal. The Brand Inspection Board, the Colorado State Patrol, and the Division of Wildlife are exempt from the ban on replacement of vehicles.

In his message to the House of Representatives, June 23, 1988, page 7, Governor Romer attempted to modify footnote 5 with the following language which is quoted at length.

3. Footnote 5, page 175, CONCERNING THE DIVISION OF CENTRAL SERVICES FLEET MANAGEMENT PROGRAM:

This footnote sets forth certain management techniques and actions which are to be followed by the Division of Central Services in the administration of the state's fleet. The footnote dictates that all surplus vehicles will be transferred to the Division of Correctional Industries Surplus Property Section for disposal which would curtail the revenues available to Central Services for restoration of the fleet. These efforts are administrative matters to be decided upon by the executive branch. I have, through Executive Order D0075 88 dated June 11, 1988, already directed specific actions concerning the state fleet.

No other footnotes or headnotes related directly to Central Services.

In December 1987, the Office of the State Auditor completed a performance audit entitled *Colorado's State Motor Vehicle Fleet Performance Audit*. As the title suggests, this audit was not specific to Central Services' Fleet Management Program. Central Services was, however, a component of this audit report. The report summary is printed at length in the "Appendix" of this annual report. No other legislative audits were completed during the period of this report.

Governor Romer issued two executive orders pertaining to Division operations. Both are reproduced at length in the "Appendix" of this report. Both pertain to motor vehicle management.

- a. Executive Order D0075-88; "Motor Vehicle Management and Control"; June 11, 1988.
- b. Executive Order D0067-88; Untitled; April 5, 1988.

In June, members and staff of the Joint Budget Committee of the General Assembly toured the State Print Shop. Subsequently, the Department of Administration was requested to conduct a survey of several state government printing operations. This task was assigned by the Department to Central Services. Results of this study are expected in the next fiscal year.

12 Employees

Pursuant to Executive Order D0043 87, (August, 1987) the *Affirmative Action Plan 1987/88*, August, 1987 revealed the following underutilizations of minority workers by the Department of Administration.

- a. 2 females — graphic design
- b. 1 female, 1 Hispanic — storekeeper
- c. 1 Hispanic — auto maintenance
- d. 1 black — bindery and printing
- e. 1 female — vehicle driver

Each of the above underutilizations is unique to the Division because Central Services is the only agency in the Department of Administration that uses these employment skills. During the period of this report, only one vacancy occurred that could impact underutilized workers. That vacancy was in the Design Center. A previously hired graphic design temporary worker accepted full-time employment thus filling the vacancy.

As of June 30, 1988, storekeepers will no longer be employed by the Division. Please see the portion of this report devoted to Central Stores for further discussion.

Although similar data for the period of this report is not available, the 1986-1987 annual reported stated:

As of June 30, Central Services had 109.7 Full Time Equivalent employees and 16 temporary employees. Average length of service per employee is 5.7 years. Average age is 34 years. The ratio of female to male employee is nine to seven. Sixty-eight percent of all Division employees claim minority status.

Part II, Department of Administration Affirmative Action Policy for the Disabled was promulgated May 17, 1988. No appropriate vacancies occurred from the date of its issuance to the closing date of this report.

Division employees contributed \$5,780 to the 1987 Mile High United Way Campaign. This figure represents a 30 percent increase over the contributions of the previous year.

REVENUE PER FULL-TIME EQUIVALENT EMPLOYEE

Fiscal Year Ending June 30	FTE	% Increase (Decrease)	Income From Operations*	% Increase (Decrease)	Revenue per FTE	% Increase (Decrease)
1984	93.0	8.9	\$ 8,057,961	20.6	\$ 86,642	8.2
1985	93.9	.9	\$ 8,397,147	4.2	\$ 89,426	3.2
1986	110.0	17.1	\$10,350,931	23.3	\$ 94,099	5.2
1987	109.7	(0.3)	\$11,643,031	11.1	\$106,135	12.8
1988	124.0	13.0	\$13,181,997	13.2	\$106,306	.2

*"Income From Operations" reflects total income for fiscal year. "Other income" is omitted from this figure.

13 Recommendations for Legislative Remedy

Colorado Revised Statute 24-30-1109(1)(e) requires that this report include recommendations for legislative remedy of major problems connected with the implementation of Central Services' enabling legislation. No recommendations are made.

NOTES TO FINANCIAL STATEMENTS

14 Summary of Significant Accounting Policies

The accounting policies of the Division conform to generally accepted accounting principles as applicable to governmental agencies. In order to insure observance of limitations and restrictions placed on the use of fiscal resources, accounts are maintained by the Department of Administration in accordance with the principles of "fund accounting." Resources intended for various purposes are classified for accounting and reporting purposes into funds that operate in accordance with specified activities or objectives. The accrual basis of accounting is followed.

Central Services receives cash-funded appropriations from the General Assembly. Cash funds are appropriated as "augmenting revenues." Actual revenues are recorded as they are earned. Central Services is a statutory revolving fund (Colorado Revised Statute 24-30-1108) which operates within the confines of the revenue it generates. Users of Division services are charged the full cost of all materials, labor and

overhead attributable to the service used. Prices charged by all of the Division's service operations are competitive with those of private industry as required by Colorado Revised Statute 24-30-1108(3).

15 Revenue Recognition

In government accounting, expenses and revenues are matched to the period in which earned or incurred. All revenue for services performed or goods delivered before the close of the fiscal year is recognized in the reporting for that fiscal year. Revenue is recognized whether or not it is collected and whether or not its collection date falls within the fiscal year in which it is reported. Collection costs are not a consideration except when collections are performed and accomplished by the Central Collections Service of the Division of Accounts and Control.

16 Indirect Costs

Indirect Costs are the Division's contribution to Department of Administration costs. Assessments are made by the Joint Budget Committee of the General Assembly on a pro rata liability basis determined by the number of employees in each revolving (cash) fund agency. General Fund agencies are not similarly assessed. Central Services assessment for the period of this report was \$173,766. This expense is reported with other expenses under the heading "Operating expense" in the "Annual Profit and Loss Statement For Overall Division Operations."

17 Accrued Liabilities

Compensated absences for the period of this report amount to \$84,519. "Compensated absences" is an accounting recognition of the costs associated with accumulated annual leave and sick leave. Such leave has been earned by employees during the period of this report but has not been used during the period of this report. The lingering fiscal liability for this unused employee benefit is recorded as compensated absences.

18 Depreciation

General fixed assets are recorded as assets at the time of acquisition. Depreciation is then computed and recorded as current expense. Assets are carried at actual cost and depreciated on a straightline basis over useful life spans prescribed in guidelines promulgated by the Internal Revenue Service of the Government of the United States.

Central Services leases certain of its equipment and real property. Leased equipment is routinely reported in Division inventories including the equipment inventory that appears in this annual report. It is so reported because it is believed that the purpose of the equipment inventory is to portray the Division's production capacity fully. The majority of the Division's contracts are classified as lease-purchase contracts (time-payment contracts). All pieces of equipment thus acquired are appropriately annotated in the Division's depreciation accounts. Where consistent with the terms of the contract, ownership — if not vested in Central Services — is reported to the appropriate tax enforcement authorities for tax liability enforcement.

19 Consumable Inventories

Central Services' inventories of consumable supplies (raw materials) are a computerized function of the Central Accounting System operated by the General Government Computer Center. This inventory chart reflects physical inventories for all operating units as of

the close of the fiscal year. All adjustments to the computer inventory required by the physical count were the result of clerical and accounting errors.

CLOSING INVENTORY BALANCES

for year ending June 30, 1988

Operating Unit	Inventory
Central Stores	\$556,234
Fleet Management	11,905
State Garage	
State Motor Pool	
State Print Shop	63,076
Office Copier Management Program	6,549
Quick Copy Centers	20,048
State Microform Services	6,780
Mail Services Section	59,535
TOTAL	\$717,578

20 Rentals

Rental expenses for all Division operations amounted to \$525,667. This includes land, buildings, equipment and fixtures. \$45,141 was spent on real estate rentals. This figure is about \$37,000 lower than that of the previous fiscal year. \$480,526 was consumed in equipment rentals of which office copier rentals are the largest part.

21 Service Equipment Request Program

Under provisions of Colorado Revised Statutes 24-30-1105(1)(a),(b),(e),(f) and 24-30-1107, the Division of Central Services is responsible for reviewing and approving requests by other executive branch agencies for service equipment. Such equipment is related to the Division's service mission. The Service Equipment Request Program discharges this responsibility. Specific approval requirements are contained in Fiscal Rules, chapter 3, section 1.35.09.

During Fiscal Year 1987-1988, the Division received 67 SERs of which 51 were approved. Ten were modified and subse-

quently approved or disapproved and two were still in process at year end.

The approval process takes into account cost effectiveness and efficiencies required by statute. Disapproved and modified requests resulted in an estimated dollar savings to the State of \$91,830 for the year and a recurring savings of \$28,980. The "Annual Savings" chart reflects the history of this program and shows annual savings and recurring savings due to the SER program along with savings from other Division operating units and programs.

A savings of \$148,000 was achieved by utilizing a zip code presorting program to earn discounts on outgoing U.S. mail. An additional \$54,424 in expenditures for office supplies was avoided by aggressive, in-house purchasing of Central Stores' inventory items. Total savings generated by Central Services during the period of this report amounted to:

SER Program	\$ 94,830
Recurring savings	28,980
Presort savings	148,000
Central Stores	54,424
TOTAL	\$323,234

Recurring savings are reported only in the year first achieved. They are not included in subsequent year annual reports.

22 Liquidity and Capital Resources

The Division's working capital requirements are met out of earned revenues and by short-term loans. The Department of Treasury makes interest bearing loans to the Division

under provisions of Colorado Revised Statute 24-75-203(1).

The need for loans is created by business cycles aggravated by the lack of appropriate capitalization when Central Services was formed.

The advent of the Fleet Management Program meant extreme cash demands that were met by new levels of indebtedness. Fleet has, for some years, had a separate loan that supplied the high capital needs associated with automobile acquisition. The debt service on that loan is reported here separately for the first time. The chart that follows reflects only the cost of debt service on each of the Division's two loans. The cost of debt service is reflected in the rates charged Division customers. Debt ratio expressed as a percentage of total assets equals 74.0 percent in the year of this report.

23 Commitments and Contingencies

The Division presently occupies office space for its headquarters in Denver under a three-year lease expiring May 1, 1996. Minimum annual rental is \$38,727. Additional office space is occupied by Central Collection Service under a five-year lease expiring November 30, 1993 and renewable until 1990. Minimum annual rental is \$29,763. Both leases include utilities, maintenance and insurance. Minimum annual base lease commitments aggregate for fiscal year ending June 30, 1989 is \$68,490.

INTEREST EXPENSE

For Year Ended June 30	Fleet Management Program	All Other Operations	Total	Increase (Decrease) From Prior Year
1984		\$ 47,196	\$ 47,196	\$ 22,749
1985		74,814	74,814	27,618
1986		154,607	154,607	79,793
1987		312,083	312,083	157,476
1988	\$340,181	88,846	429,027	116,944

ANNUAL PROFIT AND LOSS STATEMENT FOR OVERALL DIVISION OPERATIONS

for year ended June 30, (unaudited)

	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
Revenues:					
Income from operations ¹	\$13,181,997	\$11,643,031	\$10,350,931	\$8,397,147	\$8,057,961
Other income	NA	NA	NA	14,462	14,606
TOTAL REVENUES	\$13,181,997	\$11,643,031	\$10,350,931	\$8,411,609	\$8,072,567
Expenses:					
Personal services	\$3,134,777	\$3,026,762	\$2,807,051	\$2,376,100	\$2,135,035
Cost of goods sold	4,467,590	4,177,196	4,787,151	4,243,280	4,755,051
Operating expense ²	3,674,439	3,091,491	2,009,501	1,511,463	988,024
Depreciation expense	1,808,937	1,305,883	470,911	179,624	127,664
Travel expense ³		12,053	4,226	7,388	1,953
TOTAL EXPENSES	13,085,743	11,613,385	10,078,840	8,317,855	8,007,727
Profit (loss)	\$ 96,254	\$ 29,646	\$ 272,091	\$ 93,754	\$ 64,840
Profit (loss) as a % of					
Income from operations	0.73%	0.25%	2.63%	1.11%	80%
Personal services as a %					
Income from operations	23.8%	25.9%	27.1%	28.3%	26.5%

¹Eliminates intersectional sales (at cost).²Includes indirect costs.³Included in operating expense.

STATEMENT OF OPERATIONS

for year ended June 30, 1988, (unaudited)

REVENUES

Sales	\$13,181,997
Less sales returns	---
Net sales	13,181,997
Other income	---
	<u>\$13,181,997</u>

EXPENDITURES

Cost of goods sold	\$ 4,467,590
Depreciation	1,808,937
Other selling, general and administrative expenses	6,809,216
	<u>13,085,743</u>

NET (loss)	<u>\$ 96,254</u>
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COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

for year ended June 30, 1988, (unaudited)

SOURCES OF WORKING CAPITAL

Operations

Net income (loss) \$ 96,254

Items not requiring working capital:

Depreciation and amortization \$1,863,364

TOTAL SOURCES OF WORKING CAPITAL \$1,959,618**USES OF WORKING CAPITAL**

Acquisitions of equipment* \$ 758,845

TOTAL USES OF WORKING CAPITAL \$ 758,845

NET INCREASE (DECREASE) IN WORKING CAPITAL \$1,200,773

ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL

Cash	\$ 575,997
Accounts receivable	\$ 62,666
Inventory	\$ 28,485
Prepaid expenses	\$ (560)
Accounts payable	\$ \$94,065
Deferred revenue	\$ 315,541
Lease/purchase obligations	\$ 87,839
Accrued salaries payable	\$ (3,691)
Compensated absences	\$ 40,431

NET INCREASE (DECREASE) IN WORKING CAPITAL \$1,200,773

*Includes \$615,926 in automobile acquisitions.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

for year ended June 30, 1988, (unaudited)

OPERATING REVENUE

Charges for goods and services	\$13,181,997
--------------------------------	--------------

TOTAL OPERATING REVENUES	\$13,181,997
--------------------------	--------------

OPERATING EXPENSES

Personal services	\$ 3,539,078
Operating expenses	\$ 7,799,938
Utilities	\$ 35,905
Special purpose	\$ 1,710,822

TOTAL OPERATING EXPENSES	\$13,085,743
--------------------------	--------------

TOTAL REVENUES OVER (UNDER) EXPENSES	\$ 96,254
--------------------------------------	-----------

Retained earnings-July 1, 1987	\$ 1,296,712
--------------------------------	--------------

Contributed capital-July 1, 1987	\$ 947
----------------------------------	--------

Retained earnings-July 1, 1988	\$ 1,392,965
--------------------------------	--------------

Contributed capital-July 1, 1988	\$ 947
----------------------------------	--------

PROPERTY, PLANT, AND EQUIPMENT

for year ended June 30, 1988, (unaudited)

	Beginning Balance	Additions at Cost	Deletions	Ending Balance
Office and plant equipment	\$ 1,733,112	\$117,198	(\$34,571)	\$ 1,815,739
Automobiles	8,399,984	615,926	(53,504)	8,962,406
Leasehold improvements	94,987	61,833	-0-	156,820
Software development	161,077	51,962	-0-	213,039
TOTAL	\$10,389,160	\$846,919	(\$88,075)	\$11,148,004

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY PLANT AND EQUIPMENT

for year ended June 30, 1988, (unaudited)

	Beginning Balance	Additions	Deletions	Ending Balance
Office and plant equipment	\$ 583,721	\$ 197,580	-0-	\$ 736,301
Automobiles	1,464,157	1,606,611	-0-	3,070,768
Leasehold improvements	35,745	25,427	-0-	61,171
Software development	39,179	33,745	-0-	72,924
TOTAL	\$2,077,802	\$1,863,363	-0-	\$3,941,164

DIVISION OF CENTRAL SERVICES CONSOLIDATED BALANCE SHEET

as of June 30, (unaudited)

	1988	1987	1986	1985
Assets				
Cash on hand	\$ 350	\$ 350	\$ 400	\$ 400
Accounts receivable	206,816	144,150	131,306	96,079
Inventories	717,578	689,095	721,908	571,561
Prepaid expenses ¹	8,541	9,101	12,585	15,320
Equipment	10,991,184	\$10,294,173	\$6,153,862	\$2,937,530
Less accumulated depreciation	(3,879,994)	2,042,056	914,802	702,727
Depreciated equipment value	7,111,190	8,252,117	5,239,060	2,234,803
Leasehold improvements (Net)	95,649	59,242	20,802	7,203
Total Assets	\$8,140,124	\$9,154,055	\$6,126,061	\$2,925,366
Liabilities				
Cash due Department of Treasury	\$6,030,096	\$6,606,092	\$3,369,532	\$817,506
Accounts payable	574,826 ²	756,730	1,116,378	1,017,411
Accrued payroll	90,133 ³	126,873	122,075	126,240
Deferred revenues	51,157	366,698	250,060	
Subtotal - Liabilities	\$6,746,212	\$7,856,662	\$4,858,045	\$1,961,157
Fund Balance	1,393,912	1,297,662	1,268,016	964,209
Total Liabilities and Fund Balance	\$8,140,124	\$9,154,055	\$6,126,061	\$2,925,366

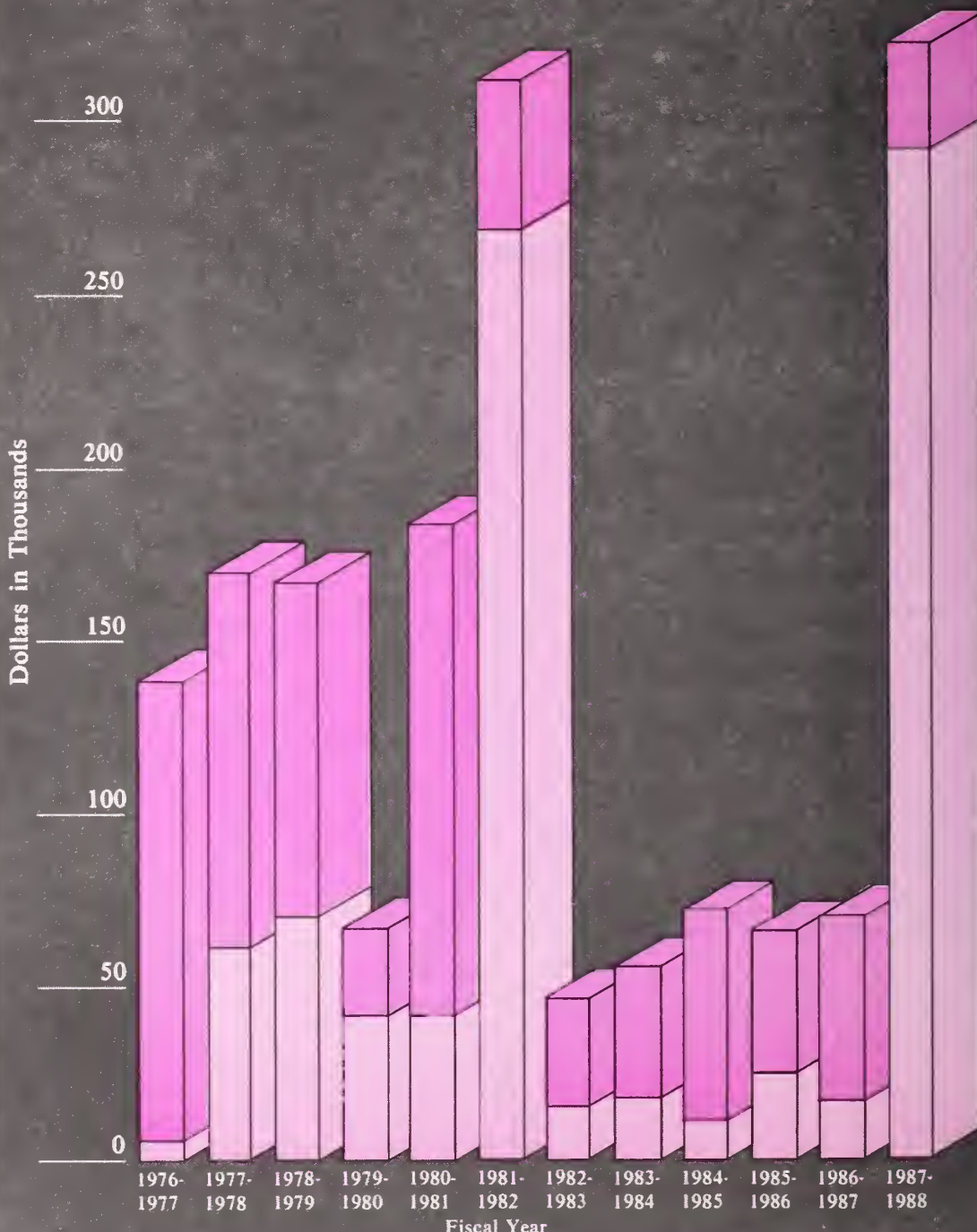
¹Includes motor vehicles and software.

²Includes multiyear lease purchase agreements in the amount of \$144,887.

³Includes compensation absences liability in the amount of \$84,519.

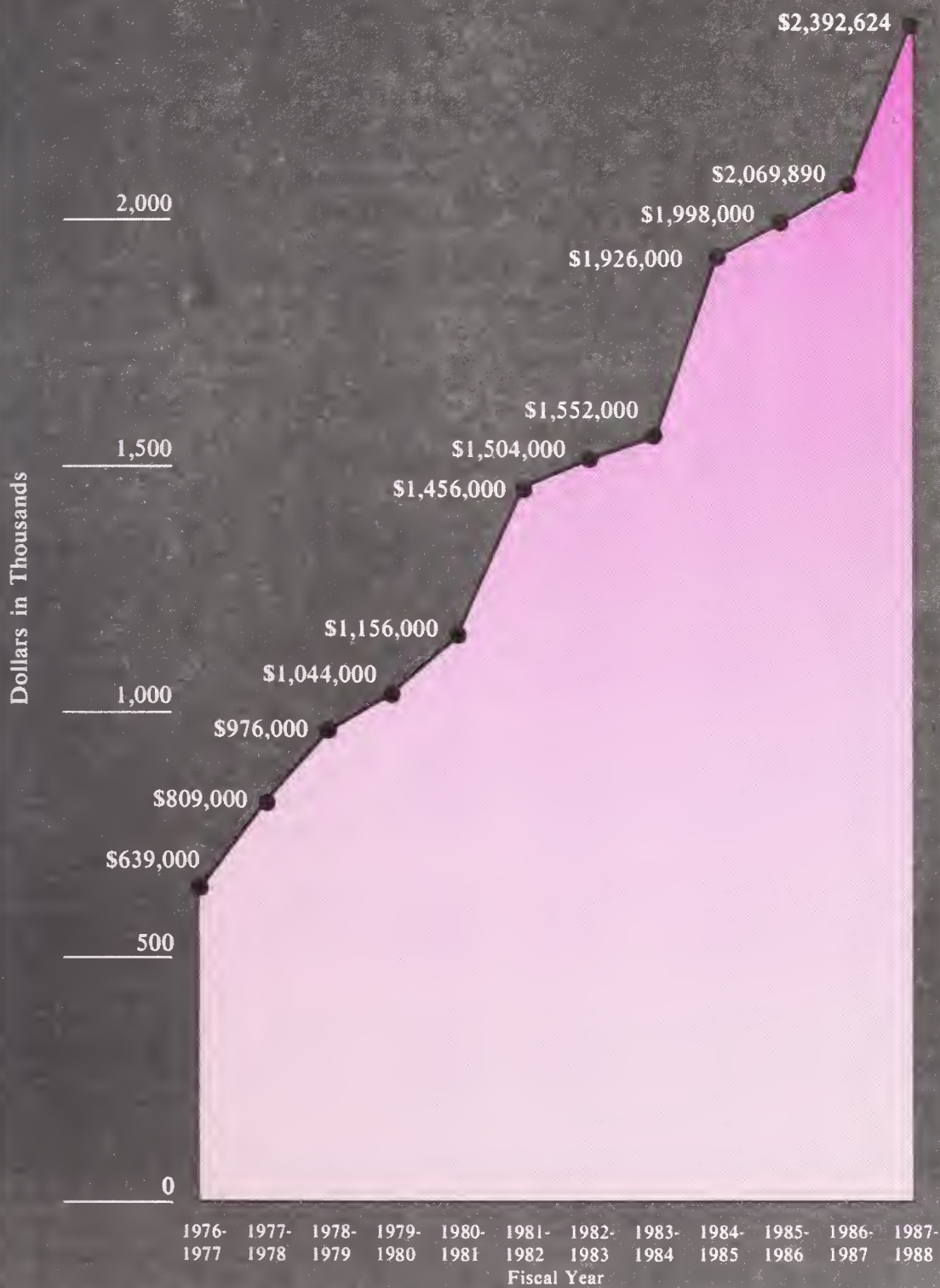
The Annual Savings and Cumulative Cost Savings Charts are included in this annual report to satisfy the requirements of Colorado Revised Statute 24-30-1109(f) for "An Estimate of prior calendar year and cumulative savings due to operations of the division".

CALENDAR YEAR SAVINGS



Total Savings	\$139	\$170	\$167	\$ 68	\$184	\$312	\$ 48	\$ 57	\$ 74	\$ 67	\$ 71	\$323,234
Recurring	\$134	\$108	\$ 94	\$ 25	\$140	\$ 43	\$ 31	\$ 38	\$ 62	\$ 47	\$ 53	\$ 28,980
One Time	\$ 5	\$ 62	\$ 72	\$ 43	\$ 43	\$270	\$ 16	\$ 19	\$ 12	\$ 25	\$ 17	\$294,254

CUMULATIVE SAVINGS



UNIT OPERATIONS

24

Notes to Unit Operations

Each of Central Services' operating units has its own accounting structure independent of that of other operating units. All work is charged to customers at established rates. All purchases of goods and services between Central Services' operating units are made at undiscounted rates. This includes the full cost of all materials, labor and overhead for all services. Each of the operating units is listed

in this part of the annual report in order of the size of its contribution to Central Services' gross income during the period of this report, largest contributor first.

Price comparisons are included with discussion of some unit operations to demonstrate Central Services' compliance with Colorado Revised Statute 24-30-1108(3) which states:

The director of central services shall have a pricing policy of remaining competitive with or at a lower rate than private industry in the operation of any service function which he establishes.

ANNUAL PROFIT AND LOSS STATEMENT FOR EACH SERVICE FUNCTION

for year ended June 30, (unaudited)

	Mail Services Section	Fleet Managment Program*	Central Stores	State Print Shop	Office Copier Management Program	Quick Copy Centers
1987-88						
Income	\$3,613,295	\$3,939,234	\$2,261,463	\$1,213,754	\$848,628	\$645,781
Expense	<u>3,586,574</u>	<u>3,884,895</u>	<u>2,177,609</u>	<u>1,234,864</u>	<u>927,683</u>	<u>556,247</u>
Profit (loss)	\$ 26,721	\$ 54,339	\$ 83,854	\$ (21,110)	\$(79,055)	\$ 89,534
1986-87						
Income	\$3,413,488	\$2,830,940	\$2,047,700	\$1,234,921	\$883,400	\$566,476
Expenses	<u>3,350,853</u>	<u>2,863,512</u>	<u>2,063,249</u>	<u>1,190,259</u>	<u>860,877</u>	<u>540,952</u>
Profit (loss)	\$ 62,635	\$ (32,572)	\$ (15,549)	\$ 44,662	\$ 22,523	\$ 25,524
1985-86						
Income	\$3,311,063	\$1,389,632	\$2,339,157	\$1,213,017	\$964,257	\$514,359
Expense	<u>3,217,464</u>	<u>1,340,671</u>	<u>2,275,674</u>	<u>1,143,615</u>	<u>964,783</u>	<u>437,430</u>
Profit (loss)	\$ 93,599	\$ 48,961	\$ 63,482	\$ 69,402	\$ (526)	\$ 76,929
1984-85						
Income	\$3,129,457	\$ 423,834	\$2,002,770	\$1,037,589	\$875,834	\$468,812
Expenses	<u>3,054,023</u>	<u>501,427</u>	<u>2,001,609</u>	<u>1,018,628</u>	<u>837,589</u>	<u>429,771</u>
Profit (loss)	\$ 75,434	\$ (77,593)	\$ 1,161	\$ 18,961	\$ 38,245	\$ 39,041
1983-84						
Income	\$3,274,031	\$ 348,418	\$1,925,526	\$ 963,806	\$793,388	\$379,339
Expenses	<u>3,222,217</u>	<u>345,496</u>	<u>1,937,669</u>	<u>963,921</u>	<u>768,955</u>	<u>337,853</u>
Profit (loss)	\$ 51,814	\$ 2,922	\$ (12,143)	\$ (25,115)	\$ 24,443	\$ 41,486

*Includes State Motor Pool operations reported here for the first time in combined form.

25 Mail Services Section

Principal operating location:
1525 Sherman Street, Room 15, Denver
Manager: Helen Nopens
Telephone number: 866-4998

From two locations within the Capitol Complex, the Mail Services Section provides a wide array of services whose primary function is to expedite the transfer and receipt of the correspondence necessary for the transaction of the State's business.

At present, we are able to furnish folding, labeling, inserting and presorting services in addition to the utilization of all services available through the U.S. Postal Service (USPS) for outgoing mail. This includes application of all rates of postage, express (overnight) mail and accountable (registered and certified) mail services. UPS and other commercial freight shippers are utilized to handle parcels for delivery both in- and out-of-state at a more economical rate than is available through USPS. UPS also offers competitive rates for overnight and second-day delivery of both letters and packages. Incoming mail units pro-

Design Center	State Microform Services	North Campus	I.D. Program	Organization Chart	Telephone Directory	Travel Management Program
\$301,430	\$263,633	\$ 86,677	\$ 6,260	\$ 1,459	\$ 381	
<u>300,275</u>	<u>253,968</u>	<u>124,131</u>	<u>4,385</u>	<u>8,039</u>	<u>27,069</u>	
\$ 1,155	\$ 9,665	\$(37,454)	\$ 1,875	\$(6,580)	\$(26,688)	
\$306,757	\$241,714	\$ 79,129	\$ 7,749		\$ 363	\$ 32,046
<u>304,012</u>	<u>230,661</u>	<u>121,019</u>	<u>3,959</u>		<u>34,392</u>	<u>52,292</u>
\$ 2,745	\$ 11,053	\$(41,890)	\$ 3,790		\$(33,029)	\$(20,246)
\$354,473	\$183,881	\$ 61,395	\$13,183		\$ 3,541	\$ 2,973
<u>337,543</u>	<u>190,312</u>	<u>67,150</u>	<u>4,894</u>		<u>34,577</u>	<u>64,727</u>
\$ 16,930	\$ (6,431)	\$(5,755)	\$ 8,289		\$(31,035)	\$(61,754)
\$348,143	\$108,708		\$ 7,776		\$ 8,684	-0-
<u>338,328</u>	<u>107,532</u>		<u>7,013</u>		<u>20,371</u>	<u>(1,561)</u>
\$ 9,815	\$ 1,176		\$ 763		\$(11,687)	\$ (1,561)
\$242,957	\$124,103		\$31,093			
<u>221,628</u>	<u>168,963</u>		<u>40,727</u>			
\$ 21,329	\$(44,860)		\$(9,634)			

vide mail processing for a number of State agencies, most notably, the Department of Revenue and the Divisions of Labor, Employment and Training. The Department of Education and the State Compensation Insurance Authority are also served by these units. The Interdepartmental and Dispatch units served almost 200 regular customers with efficient, same-day delivery of letters and parcels to locations both within and out of the Capitol Complex.

Fiscal Year 1987-1988 saw a number of changes in Mail Services. Demand for driver and foot messenger services increased dramatically, up 500 percent over the previous fiscal year, to 117,400 customer contacts in the past year. This figure includes 28,800 delivery/pick up stops by our vehicle drivers. The section also handled 14.5 million pieces of mail, while maintaining a staff of 40.9 FTE employees. Mail Services has, over the past two fiscal years, made major equipment purchases to update its available technology by acquiring the most modern, efficient mail handling equipment possible.

Mail Services continues to furnish many benefits to the State. Centralized mail processing eliminates redundant personnel and equipment, resulting in considerable savings to the agencies served and to the State as a whole. Presorting USPS mail by zip code saved \$148,000 this fiscal year. In April, the USPS increased its rates for almost all classes of mail. Despite this increase, Mail Services is projecting a decrease in a small number of its prices for the next fiscal year. Centralized management of mail resources makes this possible.

Planned for Fiscal Year 1988-1989 is the installation of a state-of-the-art Document Facsimile Transmission (FAX) machine in the State Services Mail Room. It will be available for use by any State agency to transmit or receive documents worldwide in a matter of minutes. It is expected that as the machine's uses and location become better known by customers, volume will increase and provide Mail Services with another method serving its customers.

Because of the anticipated decrease in the volume and variety of materials from Central

Services' other operating units, even faster and more efficient delivery of packages will be possible and is projected.

Finally, a computerized billing system is scheduled to go on-line in July 1988. It relies heavily on an automated postage accounting system and has been tested and approved during the period of this report. This will greatly reduce labor intensive billing practices and make the administration of Mail Services more efficient and cost-effective.

26 Fleet Management Program

Principal operating location:
1001 East 62nd Avenue, Denver
Manager: Paul Jensen
Telephone number: 287-6741

In all of the financial statements furnished in this report, the "Fleet Management Program" heading includes all of the Division's operations relating to its management of motor vehicle and related resources. This includes Fleet Management Program, State Garage, State Motor Pool, and gasoline vending cost centers. Previous to this annual report, State Motor Pool and gasoline vending operations were reported separately from Fleet Management Program reporting.

The Fleet Management Program leases passenger vehicles on a long-term basis to State agencies in lieu of the agencies purchasing vehicles themselves. Fleet also operates a vehicle maintenance program and a comprehensive and collision protection insurance program. A centralized computer inventory file on all State-owned vehicles is also maintained by the Fleet Management Program.

During the period of this report, the number of vehicles under Fleet Management control increased from 1,156 to 1,376 by year end. Although no vehicle purchases were appropriated for Fiscal Year 1987-1988, 220 vehicles ordered in the previous fiscal year were delivered in the year of this report.

Fleet's Vehicle Maintenance Program is operated with the help of General Electric

FLEET MANAGEMENT PRICE COMPARISONS

Lease prices per month for a 5-year term

VEHICLE TYPE (1989 model year)	LMV Leasing	Glesby Marks Leasing	Griffith Leasing	State Fleet Management
Small station wagon	\$198	\$200	\$250	\$155
15-passenger van	\$377	\$432	\$425	\$315
Mid-size sedan	\$254	\$212	\$250	\$169

Capital Services (formerly Gelco Fleet Management Services) under the terms of a contract that will expire July 1, 1989. It is a method of controlling vehicle maintenance costs by: (a) requiring prior authorization of maintenance services; and (b) establishing a comprehensive network of vehicle maintenance shops that operate under the favorable terms of previously negotiated service agreements. All maintenance with the exception of glass and tire replacement is handled under the terms of the GE contract. Service criteria and cost standards are selected by Fleet Management for incorporation into the program. Requested maintenance procedures that violate these criteria are not authorized. The opportunity to enroll in a comprehensive and collision protection insurance plan for vehicles not in the Fleet Management Program was extended to State agencies in April. State-owned passenger vehicles, vans, and light trucks up to and including those with a three-quarter-ton rating may be enrolled. This coverage is in addition to the liability protection provided by the Division of Risk Management. The cost of coverage is \$.01 per mile driven per vehicle, \$.08 for Fleet vehicles. At year end 253 vehicles were enrolled in addition to Fleet's 1,376 vehicle enrollment.

Fleet Management installed a Local Area Network (LAN) as a part of its computer system. LAN will increase the efficiency of the Program by allowing multiple accessing of central computerized files at any one time. This capability will speed responses to requests for information and streamline the updating of records. LAN also enables the

creation and maintenance of the centralized information file on all state-owned motor vehicles as required by Executive Order D0075-88, June 11, 1988: "Motor Vehicle Management and Control"; June 11, 1988.

Fleet Management conducted three auctions during Fiscal Year 1987-1988. A total of 190 overage and surplus vehicles were sold to private individual resulting in proceeds of \$123,418. Proceeds were returned to the agencies originally owning the vehicles.

The fuel and maintenance costs of Fleet vehicles stabilized during the term of this report and a four percent decrease from Fiscal Year 1986-1987 costs occurred. We anticipate that these costs will increase in the coming year due to the lack of funds to replace vehicles that will exceed the approved replacement criteria. Aging vehicles become more and more expensive to operate and maintain. Decreases in fuel and maintenance costs were the primary contributors to the reduction in Fleet operating costs from \$.1973 per mile to \$.1902 per mile. This cost is expected to increase in the foreseeable future due to the nonavailability of vehicle replacement appropriations. The average age of Fleet vehicles is four years. The age range, however, is 0 to 36 years.

The Fleet Management Program received no appropriation for vehicle replacements in Fiscal Year 1987-1988. As a result, 156 vehicles are still in use that should have been replaced because of age and mileage. The total estimated cost to replace these vehicles with model year 1989 vehicles is \$1,643,092. No funds are available at this time for vehicle

purchases during Fiscal Year 1988-1989. Short-term savings in capital expenditures are largely illusory. Maintenance and operating costs escalate as vehicles are retained beyond their optimum replacement age.

The Motor Vehicle Advisory Council was created by Governor Romer early in March. Council members met for the first time in March and have, as their first item of business, recommended criteria for replacing

state-owned vehicles. The Council's mission is to recommend to the Department of Administration policy and develop an action plan for the efficient management and use of all State vehicles, including those of the institutions of higher education.

Executive Orders D0067 88 and D0075 88 are reproduced in the "Appendix" of this report.

FLEET MANAGEMENT PROGRAM SUMMARY OF EXPENSES

	Fiscal Year	
	1987-1988	1986-1987
Personal services	\$ 243,059	\$ 192,450
Operating (less fuel & mtn.)	607,744	460,207
Fuel	560,598	355,634
Maintenance	273,333	208,955
Licensing	1,128	
Travel	272	3,206
Overhead	114,790	109,871
Depreciation	1,628,175	1,132,198
TOTAL EXPENSES	\$3,429,099	\$2,462,521

FLEET MANAGEMENT PROGRAM, PERFORMANCE STATISTICS

	Fiscal Year	
	1987-1988	1986-1987
Number of vehicles*	1,283	1,041
Total miles driven	15,536,259	12,327,624
Annualized miles per vehicle	12,109	11,842
Fuel cost per mile	\$.0361	\$.0288
Maintenance cost per mile	\$.0176	\$.0169
Total cost per mile**	\$.2207	\$.1998

*Average number of vehicles through fiscal year.

**National average: \$.2333 per mile—National Association of Fleet Administrators.

COMP AND COLLISION PROGRAM ACCIDENT SUMMARY

	Fiscal Year	
	1987-1988	1986-1987
Number of accidents	159	172
Fault—State	125	107
Others	34	65
Cost to State	\$72,607	\$25,273
Average cost per accident	\$ 457	\$ 147
Casualty rate		
(1,376 vehicles in risk pool, 1987-88)	12.4%	16.5%

27 STATE GARAGE

Principal operating location:
1001 East 62nd Avenue, Denver
(North Campus)

Manager: Sonny Otero

Telephone number: 287-2511

The State Garage is located adjacent to the Fleet Management Program offices. Two technicians perform preventive maintenance, routine servicing, diagnosis and repair work and State mandated emissions inspections. During Fiscal Year 1987-1988, the State Garage performed 466 emissions tests on State vehicles. Overhaul work on engines and transmissions is usually done by private sector contractors.

Through improved utilization of available facilities and personnel, the State Garage enjoyed an 18 percent growth in revenue without adding additional employees. Actual revenues increased from \$170,256 in 1986-87 to \$201,082 in 1987-88. This increase was achieved in spite of the fact that Garage labor rates were reduced by eight percent in October, 1987. A survey of State Garage customers in February, 1988 indicated an overall customer satisfaction rating of: "SATISFIED."

During the summer of 1987, attempts were made to employ two high-school-age assignees recruited by the Adams County Juvenile Diversion Program. Employment was to have lasted from May to August and would have

been at no cost to the State. Liability insurance, however, became an issue. Participation in this program was declined on the advice of the Department of Law.

The Garage takes full advantage of all auto parts and supply awards issued by the Division of Purchasing. Savings on these purchases are passed on to State agencies using the services of the State Garage. During the year, the Garage implemented an automated tire inventory system. A terminal at the North Campus with access to the General Government Computer Center main-frame was used.

In order to access the competitiveness and efficacy of Garage operations, bids for all Garage operations were accepted by the Division of Purchasing from the private sector during the past year. An analysis indicated that it was more economical for the State to continue to use the State Garage than to privatize its functions.

28 State Motor Pool

Principal operating location:
1555 Sherman Street, Denver

Manager: Freddie Trujillo

Telephone number: 866-3030

The State Motor Pool furnishes rental vehicles for short-term use by government agencies. Thirty-seven vehicles are assigned to the Motor Pool. These vehicles traveled an

STATE GARAGE PRICE COMPARISONS

	State Garage	Chesrown Chevrolet	Front Range Dodge	O'Meara Ford	Astro Automotive	Firestone
Labor rate per hour	\$24.70	\$ 45.00	\$ 35.10	\$39.50	\$37.50	\$ 38.00
Minor tune-up	\$34.20	\$115.00	\$ 85.00	\$40.00	\$48.30	\$ 44.95
Lube, oil filter	\$14.70	\$ 17.95	\$ 20.00	\$23.05	\$23.90	\$ 24.50
Front brakes	\$68.00	\$125.00	\$125.00	\$68.90	\$77.50	\$100.00

The Motor Pool also vends gasoline. Sales are maintained separately for accounting and management purposes. The vending facility is located behind the State parking structure at 1555 Sherman Street. Its mission is to pro-

75,695 gallons of unleaded and oxygenated gasoline were sold in Fiscal Year 1987-1988. Central Services participated in a preliminary oxygenated fuel demonstration project at the request of Governor Romer and the Department of Health. Results of the project were instrumental in helping to define the State's policy on oxygenated fuels as a pollution control mechanism.

STATE MOTOR POOL CAR RENTAL PRICE COMPARISONS		DAILY RATE	MILEAGE RATE	FREE MILES	SIZE OF FLEET	DISTANCE CAPITOL COMPLEX	DAMAGE WAIVER	CAR YEAR	COMMENTS
STATE MOTOR POOL 1555 Sherman (Alley) 866-3030	SEDANS 4D	15.00	**19	96	37	In Capitol Complex	Included in daily rate 0.00	86-87	Driver doesn't pay for gas
	STATION W	20.00	**24	137					
	VANS (15)	26.50	**36	102					
		.05 gas rate							
AVIS 1900 Broadway Ed Taylor Manager 398-5340	SEDANS 4D	30.00	.30	100		3/4 Mile	8.95/full value \$98.45	88	
	STATION W	30.00	.30	100					
	VANS (15)	—	—	—					
HERTZ 2001 Welton St. Craig Kellem Area Manager 355-2244	SEDANS 4D	43.00	.25	100		3/4 Mile	9.95/3,00 \$109.45	88 3 months old	Corp rate
	STATION W	45.00	.25	100					
	VANS (15)	—	—						
BUDGET 2150 Broadway Robin Michaels Dir. of Marketing	SEDANS 4D	29.00	.15	150		3/4 Mile	9.99/full value \$109.89	88-89 not older than 6 months	Weekend rate 19.95/summer 32.00/winter
	STATION W	—	—	—					
	VANS (15)	—	—	—					
	MINIVAN	42.99	.30	100					
CHEAP HEAPS 4839 E. Colfax Steve Sussman Owner 393-0028	SEDANS 4D	8.99- 14.99	.12	25	does not have 37 vehicles right now	2 Miles	2.00/repair under \$1000 \$22.00	78-82 6-10 yr	Prices based on condition.
	STATION W	14.99	.12	25					
	VANS (15)	—	—						
		or 20-28	unlimited						
WESTERN CAR RENTAL 6100 Smith Rd. Cheryl Owner 399-2608	SEDANS 4D	18.00	.22	150	125	7 Miles	7.95/full repair cost	87-88	If rented on monthly basis-- will be higher
	STATION W	—	—	—					
	VANS (15)	—	—	—					
ADVANTAGE RENTAL 6100 Smith Rd. Karen Sales Clerk 1-800-472-2277	SEDANS 4D	29.00	.25	150		7 Miles	Included in price or rental 0.00	87-88	Weekend rate is 29.99 ***Provide 1/2 tank of gas \$7 charge
	STATION W	—	—	—					
	VANS (15)	—	—	—					
SUPERIOR MOTOR 351 Broadway David Operation Manager 777-7772	SEDANS 4D	15.00	.15	100	40	1.5 Miles	9.95/21-2 7.95/25-3 5.95/30 u \$65.45	85-86	Waiver rate depends on age of driver
	STATION W	—	—	—					
	VANS (15)	—	—	—					

29 Central Stores

Principal operating location:
1001 East 62nd Avenue, Denver
Manager: Jerry Albrecht
Telephone number: 287-8057

The mission of Central Stores is to vend office supplies, forms and publications and to administratively maintain inventories of materials used by other operating units of Central Services.

Stores' customers include all levels of government. Many State agencies have transferred their publication vending responsibilities to Central Stores. This has occasioned increased levels of sales to the public. All Stores' operations are housed at the North Campus, 1001 East 62nd Avenue, Denver. Temporary labor is used in season.

On June 30, 1988, Central Stores ceased operations and went out of business in response to the Long Bill passed by the Second Regular Session of the Fifty-Sixth General Assembly. This bill (House Bill 1356) failed to make funds available for Store's operation in Fiscal Year 1988-1989. The Long Bill further instructed (footnote 4a) that: "Any equipment and inventory that was associated with the forms warehousing and distribution part of Central Stores shall be transferred to Correctional Industries...." The movement of the forms and publications operation to Correctional Industries is not, in our judgement, advisable because this opera-

tion is capital intensive and possesses only a small labor component.

When formed in 1972, Central Stores was designed to consolidate five existing store-room operations thus eliminating the expensive replication of staff, physical plant and inventory that existed. Buying power was, in addition, enhanced and the concentration of Stores' volume was sufficient to sustain a single, large distribution system. Stores-to-central-accounting-system computer transactions made the sunken costs of billing and inventory management minimal. During the span of this report, Stores initiated its own purchasing program for inventory acquisition and was able to lower inventory costs by \$54,424. Thirteen awards for office supplies were issued. Larger savings were envisioned by direct purchase of Stores' entire inventory.

Our understanding of government supply dynamics, based on ten year's observation and practice, strongly suggests that within a few years more dollars than ever will leave Colorado as office supply purchases from foreign-owned private companies begin to spiral upward. The chief component of these spiraling expenditures will be individual small purchases of a wide variety of supplies on which no competitive bidding has occurred. These purchases will not be supervised because they will fall below discretionary purchasing thresholds now in place. These events will come as a result of the absence of the damping or regulating influence that Central Stores for so long exerted on its area of government supply operations.

COMMODITIES BY CLASSIFICATION

Classification	Number Of Commodities	Percentage of Total
Office copier supplies	62	2.6
State Print Shop paper	210	8.7
Forms		
Social Service forms	411	17.1
Labor & Employment forms	507	21.1
Other	251	10.5
Publications	47	2.0
State Microform Services' supplies	78	3.2
Office supplies, state award	360	14.9
Office supplies, other awards	477	19.9
TOTAL	2403	100%

During its final year of operation, Central Stores processed about 27,000 requisitions for goods. Fifteen government agencies began transmitting requisitions to Stores by computer. Experimentation with technical specifications adopted from federal and State of California specifications was initiated. The goal was to improve product reliability. The Division owes its friends in California a debt of thanks for their cooperation and help. Technical specifications were put in place for typewriter ribbons and writing instruments. Plans were created for the publication of a new *Central Stores Catalog* in September, 1988. Included in the new catalog plan were at least 100 new office supply products. Due to Stores demise, these plans were scrapped — no catalog was produced. At the close of the fiscal year, plans had been made to transfer all permanent Central Stores employees to vacant positions elsewhere in government. Four employees will be transferred to the Department of Corrections; all other will be absorbed by divisions of the Department of Administration.

Stores avoided losses on its operations throughout the fiscal year. Significant inventories of office supplies left over at the end of the fiscal year will create funding problems as and when these inventories are liquidated. Legislative relief will be sought.

30 State Print Shop

Principal operating location:
1525 Sherman Street,
Rooms 27 and 28, Denver
Manager: Bob O'Lear
Telephone number: 866-4467

The goal of the State Print Shop is to provide quality printing and rapid turnaround for the many agencies that require our services. This year proved to be our most productive year since centralization in 1976. We completed over 83,000,000 impressions this year with a staff of 19 full-time employees. Again this year we were able to keep the average cost per impression to \$.015 in the face of rising material and supply costs. This was possible because of increased personnel productivity

while keeping overtime and temporary services to the bare minimum.

The State Print Shop is made up of three units: Camera, Press and Bindery. The main types of work produced in the shop are forms, letterheads, reports, brochures, newsletters, booklets and manuals. These services were requested more than 6,000 times in Fiscal Year 1987-1988 and we delivered all work produced in an average of 5.8 working days.

This year we computerized many of our manual administrative processes in the shop. Incoming job logging, in-process job tracking, completion dates and costing are no longer hand entered. We have computerized job estimating, production reports, and are accumulating a data base for better production and cost control reporting.

The purchase of new equipment was at a minimum this year. Besides computerization we acquired a new, metal plate processor. It has allowed us to process metal plates in a minimal amount of time, decreasing the time lag from camera to press. In the coming fiscal year no capital outlays for the purchase of new equipment are planned. The dedication and commitment of our employees will insure us a productive edge with or without new equipment.

The total volume of FY 1987-88 was about 83,000,000 impressions from 5,500 jobs received during the year. When the total volume is divided by the number of jobs, the average impressions per job is 15,000. The following cost comparisons were based on 15,000 copies of a sheet of 8 1/2 x 11 inch paper printed in black ink on one side only.

STATE PRINT SHOP PRICE COMPARISONS

Source	Price	Delivery
Central Services	\$172.00	3 days
Beacon Printing	\$384.40	5 days
Clements Printing	\$245.00	3 days
Pandick Press	\$430.94	3 days
Paragon Reproduction	\$470.00	4 days
Quality Press	\$204.00	3 days
Silers Printing	\$265.00	4 days
Speedy Copy Service	\$247.50	3 days

31 Office Copier Management Program and Quick Copy Centers

Principal operating location:
225 East 16th Avenue, Denver
Manager: Glenn Fox
Telephone number: 894-2370

Though distinct operations, the management of office copiers and Quick Copy Centers is combined under a single manager. Both are, therefore, reported here.

Office Copier Management Program

The centralized copier management provides quality copiers and supplies to downtown Denver (State) agencies at reasonable prices. Through the combined, shared use of these copiers, state agencies, small and large, have available to them a variety of equipment to meet their copying needs. This program offers a greater variety of services and better copy quality than that of any comparable private, federal, or state program studied. Costs are 30 to 60 percent lower than those of comparable copier management programs. Total revenues were \$848,628, on a volume of 24.6 million copies. System-wide the average cost per copy was \$.035.

The volume of copies has remained stable since last fiscal year, but our cost per copy has lowered due to earnings of \$61,896 from the rebate program under a State contract for copier rentals instituted in July 1986. At the end of the fiscal year, 130 machines were rented by the Program under the shared usage concept; 270 were rented directly by State agencies; and 500 machines were leased by local governments that wished to exploit State

rates. Rebates are generated as a management fee for creating and maintaining the contract. Copier management services are provided to all State agencies as a means to help them evaluate, rent, purchase, and place copier acquisitions. As part of this service, Central Services has been instrumental in helping the Division of Purchasing develop a copier rental contract for all State agencies to use. This contract encompasses 375 office copiers and \$1 million worth of annual rental revenue.

Another aspect of the Program is the copier management service. This portion of the program deals with the approval/disapproval of the acquisition of copiers by all State agencies. The goal is to assist State agencies in securing appropriate copier services for the lowest possible price. One of the ways this is accomplished is by the Division's involvement in the copier selection process.

Quick Copy Centers

Central Services operates five Quick Copy Centers in the metropolitan Denver area. Quick Copy Center functions include in addition to printing, collating, stapling, and two-sided printing. A flat, per copy fee is charged, additional functions are furnished at no additional cost. Commercial copy centers usually make additional charges for these additional service functions.

Quick Copy centers were established to fill the gap between the office copier reproductions and State Print Shop services. The centers are designed to furnish printing services that are too comprehensive for office copiers and not comprehensive enough to be cost-effectively produced by the State Print Shop.

QUICK COPY CENTERS PRICE COMPARISONS

	Dodge Printing 1240 14th Street Denver	Kwik Copy 1730 Camda Denver	Sir Speedy 2550 15th Street Denver	Kinkos 1050 W. Colfax Denver	Division of Central Services
10 originals, 50 copies each, 8 1/2" x 11", collated & stapled.	\$28.50 .057	\$35.00 .070	\$35.50 .071	\$31.00 .062	\$12.00 .024
1 original, 500 copies each	\$19.50 .039	\$19.75 .395	\$20.00 .04	\$17.40 .0348	\$12.00 .024

The primary objective of these centers is to produce low cost copies of good quality in a time frame that the customer requests. Job requirements vary from while-you-wait to next-day service. Customer satisfaction resulting from this policy is high; surveys continue to show that Quick Copy is doing a very good job. Jobs of from 7 to 750 copies per original and a total job volume of 4,000 copies are accepted. During the reporting term, Quick Copy produced 26.6 million copies with total revenues of \$645,778. Price per copy: \$.024.

Business returned to normal in December 1987, when the quick copy center in the Social Services Building, 1575 Sherman Street, Denver resumed operations. While building renovations were in progress, the Center operated out of the 14th floor of the Petro-Lewis Tower, 717 17th Street, Denver.

32 Design Center

Principal operating location:
1525 Sherman, Room 590, Denver
Manager: J. J. Jackson
Telephone number: 866-3874

The Design Center was established in order to make available to Division customers comprehensive graphic arts services. Previous to its establishment, customers in need of design services were hampered by cumbersome purchasing procedures. These had the effect of delaying the delivery of the final printed product beyond even the most generous deadlines. Lack of sophistication left customers at the mercy of vendors willing to undertake government work. Completed design jobs often required extensive produc-

tion and finishing techniques that, while they looked good, were well beyond budget resources. Vendors lacked any precise understanding of government budgeting or standards of appropriateness for graphics purchased at public expense.

Our designers have the experience and versatility to create graphic designs, photographs, and computer-generated graphics for publication or presentation purposes. A wide variety of design applications is produced: direct mail advertising, brochures, publications, annual reports, co-op advertising and catalog production. Our professional staff can create most items from letterheads and logos to comprehensive displays, publications, and presentations.

The need for design services continues to grow from year to year. The Design Center showed an increase in business of 6.4 percent in fiscal year 1987-88. Materials cost and the cost for outside services were reduced by 30 percent. Total income decreased by 1.7 percent and this can be attributed to efficiencies of both state agencies, in their preparation of materials and the Design Center's use of electronic data retrieval. While the Design Center's hourly rate has remained stable over the past three years, a seven percent increase was inacted during 87-88. The national average for graphic design services has been rising at a rate of more than 12 percent annually. The average hourly cost for commercial graphic design services in the Denver metropolitan area is almost double that of the Design Center. Thus, its pricing policy makes the Design Center an attractive option for government agencies.

Computer graphics and overhead transparencies have been making an impact on the increase in work load over the past two years.

DESIGN CENTER PRICE COMPARISONS

	Bradford & Will Graphics	Ernie Brame Typecrafter	The Composing Room	Lambda Graphics	Central Services	Typography Plus Inc.
Typesetting per hour	\$75.00	\$50.00	\$48.50	\$35.00	\$27.00	\$50.00
Design services per hour	\$55.00	\$45.00	\$40.00	\$40.00	\$27.00	\$40.00

While slides and transparencies were only 2.2 percent of the total revenues, they increased in number by 79 percent over Fiscal Year 1986-1987 production.

Computer-generated graphics can be produced as full-color 35mm slides, overhead transparencies, and also video tape. Because of our ability to produce these at a low price and to sustain high quality levels, the Design Center expanded this service in Fiscal Year 1987-1988 with the addition of a video deck that allows the Design Center to offer these graphics on tape to State agencies.

Presently, the Design Center can receive manuscripts for typesetting that have been transmitted telephonically. In order to cut the cost of producing publications, word-processed disks may be submitted for direct typographic output. In Fiscal Year 1988-1989, we plan to expand on this enhancement to include interfacing with personal computers capable of desktop publishing. In this way we can continue to produce a quality product at the lowest possible cost.

33 State Microform Services Center

Principal operating location:
1001 East 62nd Avenue, Denver
Manager: Jon Goldstein
Telephone number: 286-8521

State Microform Services, in Fiscal Year 1987-1988, had another excellent year. Our client base grew 19 percent — we served a total of 434 clients last year. We also had a nine percent growth in revenue. Our revenue total, \$263,633.20, was a record for the Center. Revenues generated a 3.6 percent profit, which means that the Center avoided operating losses for the second year in a row.

Our increase in revenue and continued profitability is tied to increased productivity. In almost every category of production, we see a marked increase this past year, as compared with the year before (see chart). Increased productivity and price stabilization permitted the growth in revenue described above.

Because of the increase in client base, it was necessary to add one FTE to our staff. We are now at a manning level of eight FTE. During the last year, we also utilized one developmentally disabled temporary employee as a six-month trainee.

In addition to the Developmentally Disabled Program, we were able to utilize trainees from Adams County Employment Center, and the Summer Youth Program. Both programs supplied trainees to work at the Center for periods of three to six months. Both the Microform Services Center, and the trainee were able to benefit from the program. Several of our trainees were able to obtain jobs in the private sector after their training with Central Services.

STATE MICROFORM SERVICES PRICE COMPARISON CHART

Service	Central Services	Data Films	Dakota	Data Plex
Document filming	.031/exposure	.04/exposure	.04/exposure	n/a
Blueprint filming	.25/exposure	.45/exposure	.27/exposure	.50/exposure
Film duplication:				
Diaz	.05/foot	n/a	.07/foot	.063/foot
Silver	.15/foot	.18/foot	.16/foot	n/a
Fiche duplication	.26/fiche	.35/fiche	n/a	.38/fiche
Step & repeat microfiche	.072/exposure	.13/exposure	n/a	n/a

Microform Services is producing archival quality microfilm. The Division of Archives and Public Records did not reject any of our work products submitted for archival deposit during the last year. In addition to this outstanding level of acceptance, methylene blue tests performed on our film processors verified that our processed film meets or exceeds American National Standards Institute standards for archival storage and preservation.

During 1988, Microform Services was able to perform filming services for two important new clients. The Western History Department of the Denver Public Library is using Microform Services for all its microfilming needs. Included are filming newspapers, doing silver film duplication, and filming special collections, such as the Denver Stockyards scrapbooks. We look forward to serving Western History/DPL in 1989 as well.

A second new client is an agency of the federal government. The Center was able to film the entire index of all the cases of the Federal Bankruptcy Court. The project was well received, and we hope to build on the relationship in the near future.

The camera that we used to film Federal Bankruptcy Court was our sophisticated step and repeat camera. We recently acquired a 42x lens, which makes images compatible with computer output microfiche production. Our new lens makes us one of the most versatile microfilm producers of any public agency in the country.

As mentioned in last year's annual report, Microform Services continued giving a great deal of attention to employee productivity and

morale. In addition to increased productivity, absenteeism has declined significantly, from an average of eight days per FTE per year, down to 4.5 days per FTE per year. Another indicator of improved morale was the lack of any turnover during Fiscal Year 1987-1988. Our unit has a solid, experienced staff that is looking forward to the challenges of 1989.

Outlook for 1989, and beyond: We have started a new filming project for the Public Utilities Commission (DORA) utilizing CAR (Computer Assisted Retrieval). Our staff will be filming, processing, inspecting and duplicating over 3,000 documents per day for PUC. All of this will be accomplished within a twenty-four hour turnaround time. We are very excited about this project, and we hope other agencies in State government will use the PUC model as a springboard to get microfilming projects started using Computer Assisted Retrieval as the records management method of choice.

Fragile Paper Filming Project

As an extension of the newspaper filming project, we are already performing for the State Historical Society, we will shortly begin to film collections of fragile newspapers from Colorado's past. The National Endowment for the Humanities has awarded a grant to the Historical Society to catalog and film these historical newspapers. State Microform Services will furnish filming and duplication services for the project. We are looking forward to the start of this very important job.

The State Microform Services unit of Central Services looks forward to what will be our most productive and professionally rewarding year ever.

PRODUCTION CHART

Categories	1986-87	1987-88	Increase (Decrease)
Camera exposures	3,298,315	3,247,612	(50,703)
Step & repeat microfiche	950	2,184	1,234
Diazo fiche duplicates	26,000	46,858	20,858
Diazo roll duplication	467,610 ft.	616,800 ft.	149,190 ft.
Silver film duplication	90,200 ft.	127,500 ft.	37,300 ft.
Microfilm jackets inserted	30,864	46,055	15,191

34 North Campus

"North Campus" is an accounting classification that reflects rental income and offsetting expenses from State-owned property located at 1001 East 62nd Avenue, Denver. Central Services acts as the host organization to several tenant organizations. As of the end of the fiscal year the Departments of Revenue, and Labor and Employment maintained units at North Campus. Central Stores, Fleet Management Program, and Microform Services Center are among the operations housed at the North Campus. The Division of Central Services assumed responsibility for the facility as of December 1, 1985. Responsibility for day-to-day management of North Campus during this reporting period rested with the manager of the Fleet Management Program. Two FTE maintenance employees are assigned.

35 I.D. Program

Principal operating location:
225 East 16th Avenue, Denver
Manager: Barbara Baskin
Telephone number: 894-2370

This program creates identification card and badge identification credentials for State employees; price per credential is \$2.85. During the fiscal year, approximately 2,196 identification credentials were issued. Revenue generated amounted to \$6,260. An Identification System, ID-3 camera is the only assigned equipment for this program; no employee is assigned full time. Credentials expire two years after the date of issue.

Central Services supported the Department of Labor and Employment in implementing its State-wide security program. Color-coded, standard credentials now uniquely identify 211 DOLE employees. The Department of Revenue also uses a color-coded system.

36 State Chart

Principal operating location:
225 East 16th Avenue, Suite 1050, Denver
Manager: Norman B. Wilson
Telephone number: 894-2370

The Division of Central Services periodically publishes a chart entitled the "Organization of State Government in Colorado." This wall chart displays the structure of State government as established by the Colorado Revised Statutes. As such, the chart serves as a road map to State government and as an index to the statutes concerning state government organization.

As a cash funded agency, the Division has sought to make the chart a saleable item. The Division entered into a contract with Bradford Publishing, the publisher of the Colorado Revised Statutes, to distribute the chart to their customers. Bradford obtained 255 charts and has sold virtually all of them.

Central Stores has also had charts for sale. As of July 1, 1988, only 4,133 remained in inventory of the original 5,270 printed. Thus, in half a year, after an initial complimentary distribution of 40 charts, nearly 1,000 charts have been sold. These sales suggest that in two to three years, the chart will be out of stock. At that time, it will be time for another updating of the chart owing to changes in the structure of government.

The chart is an invaluable research and educational tool. Many school systems have ordered multiple copies for use in the classroom. Libraries are ordering the chart regularly. Six charts were requested by the Productivity in Government Commission to aid in their research. The Governor's office has used the chart as a means of educating the public at the Mountain and Plains Festival. Many citizens, businesses, lobbyists and public interest groups have purchased the chart. As a result, the chart now enjoys widespread currency as the definitive statement as to the organization of Colorado state government. Copies of the chart are part of the collection of the Library of Congress. The

chart further reinforces the role of Central Services as a source of accurate and useful reference guides to the State of Colorado.

37 Telephone Directory

Principal operating location:
225 East 16th Avenue, Suite 1050, Denver
Manager: Norman B. Wilson
Telephone number: 894-2370

The 1988 edition of the *State of Colorado Telephone Directory* marks the fifth year the Division of Central Services has published this valuable tool of communication within State government. Assigned to the Division by the Department of Administration, this resource is more than a telephone directory — it is a guide to government in the entire State. In addition to all State employees and offices, the Directory lists the congressional delegation, the consular corps, district attorneys, county officials and offices, school districts, boards of cooperative educational services, and all regional councils of government.

Several new features mark the 1988 edition. The organizational listings now appear in the front of the book. Also new to the 1988 edition is the separation of higher education listings from those of general government. This change reflects the Division's responsiveness to customer panels and user requests. Another such change is the addition of names to key positions: All department heads and division heads now appear in the organizational listings to make communication by telephone and mail more personal and direct.

Brand new to the 1988 edition is the addition of a "Colorado Tourism and Recreation Guide." This section appears in the front of the book and includes many four-color photographs of State locales. The accompanying articles profile several destinations and activities of interest of State employees.

The Directory again carries Yellow Pages advertising. Listings in the Yellow Pages offer rapid access to vendors commonly used by State employees. Once more the Directory carries an official mileage chart provided by

the State Department of Highways, a handy reference tool for State travelers.

Because the Directory carries Yellow Pages advertising, the State in return receives 10,000 free copies of the book. Of these, 7,000 are distributed free of charge to State agencies and institutions of higher education. As the usual charge for such directories is \$2.00 per copy, the Directory saves the State \$14,000 per year. The remaining directories are held for sale to the public and to State agencies that require more copies than the initial complimentary distribution supplies.

The Directory again results from the cooperation of the Division of Central Services and personnel officers in every agency and every institution throughout the State. This willing support of the Directory allows its continued accuracy — an error rate of less than 3 percent — to remain at a level regarded as excellent in the industry. Additional support comes from the Department of Personnel, Computer Systems Division, in providing updated computerized personnel records.

APPENDIX

38 Major Equipment Inventory

Major equipment inventory information is published in this annual report pursuant to Colorado Revised Statute 24-30-1109(1)(c). It is intended to show the nature and scope of Central Services' productive capacity. Equipment reflected here is therefore listed without regard to its ownership status.

ADMINISTRATIVE CLERICAL SECTION

POLAROID ID3 MODEL 703 CAMERA

STATE PRINT SHOP

DS CP 404 11 PLATEMAKER
714 BAUMFOLDER SN83F029
DCS 260D CAMERA W/FLASH LAMP COPY B
BROWN PLATE MAKER
DENSITOMETER
SINK DEV TEMP CON BRN 30377/378
TABLE PRECISN LINE UP NU-ARC
NU-ARC MODEL RR41F
LIGHT INTRIGATOR
BOURG COLLATOR
*521000456 ST581001099
COLLATOR 1412 004327
P-23 PERFOR, SLIT, SCOR, SN9800510
VELOBID PUNCH/BIND*323 SN325167
CHALLENGER CUTTER 26"
ELEC PUNCH 11IPM SN118845
BOS STITCHER
MODEL 323 VELO BIND PUNCH
CHALLENGER PAPER
BOURG STITCHER, FOLDER, COLLATOR
STANDARD BOURG TRIMMER
16" GBC ELECTRIC PUNCH
NYDREDAHL PERFORATOR SNJ-74-15-104
COLLATOR 1546002763 ST, FOLD ROTO 50
VELO BINDER MODEL 210
MULTI-FOLDER 3315
CHALLENGER CUTTER
2850 PRESS SORT FEED SN384737
PACK FEEDER 2850 OFFSET PRESS
13650 COLO HEAD FOR 360CD SN862694ACA
POWDER SPRAY SYS SN12850435
67 SORT/TOWER MODULES/INTERFACE
SOLNA OFFSET PRESS MODEL 125 #12207
DAVIDSON 702 PERFECTOR OFFSET PRESS
ROTARY SLITTER SN8867606
CARLSON REGISTER SYSTEM
360CD OFFSET PRESS #11484
AB DICK 360T
360T W/NUM ATTACHMENT SN13512
SYS 6W ELEC CAM, OFFSET ONLISORT
CARLSON REGISTER SYSTEM
BOURG FOLDER SN551000755
MULTILITH 1250 OFFSET PRESS SN948176
NUMBERING HEADS
BOURG TRIMMER SN200518
1250 DUPL #383261 MULTI OFFSET PRESSO
1250 DUPL MULTI OFFSET SN383263
1275 MULTILITH OFFSET PRESS

DESIGN CENTER

CAL COMP COLOR MAST THERMAN PRINTER
QPM PHOTOMAKER SN5D628714
RC PROCESSOR 20 AMP SN11006
NEC SPINWRITER SN7710 PRINTER
TYPESETTER G1610 D/F W/STAND SN65001
GPM VIDEOSHOW 160 SN16002K46
ITEK G 1610 65001 DF PHOTOTYPE SYS
MDR 12110 MULTIDISK READER
KROY LETTERING MACHINE
HYDROLIC LIGHT DRAFT TABLE
THERMOFAK
6 FLAT FILES

STATE MICROFORM SERVICES

42X LENS, PLATEN, MASK
3M CAMERA M 41906 SN304007
RELIANT 800 16MM ROTARY CAMERA
F 10 PROCESSOR
*9000054 MAGAZINE

22E READER 24X ROTATION
105MM SILVER FICHE DUPLICATOR
COPYBOARD
500 LM READER-PRINTER SNDR17112
DX 35MM PRINTER
EXTEC CAMERA
RECON KODAK MCG FILM UNIT SNN1634
MICRO FILE MACHINE SN15595
3M-3401 MICROFILM CAMERA
FILM READER MOBIL 1600
RECORDAK - R750
PROCESSOR/KODAK PRO STAR 11
CPU CONFG W/KEYBOARD & MONITOR
MICROFILM DUPL SN4C0365 W/COLL SN1084
42X LENS PLATEN MASK
DIAZO DUPLICATOR
INSPECTION TABLE
EXTEK 3100 POSI DUPLICATOR
GAF 16/35 ROLLFILM DUPLICATOR MACHINE
MACBETH TD 500
2 JACKET READER FILLERS
MICROFILM CAMERA MRK-1
RECORDAK MRD 2 CAMERA
BELL & HOWELL INTER-COM
RECORDAK R700 CAMERA

QUICK COPY CENTERS

XEROX 9900 SN920051548
XEROX 9500 SN685-002882
XEROX 9500 SN685-002273
XEROX 9500 SNF4012393
KODAK 100 AF SN104-230
XEROX 9500 SN685021168

STATE MOTOR POOL

TIRE MACHINE
PRESSURIZED WASHER
10,000 GALLON GAS TANK # PUMP
PUNCH ELEC EMBOS MACHINE SNC01157
GASBOY AUTO FUEL SYSTEM

STATE GARAGE

LATHE AMMCO 4000 & 2400 BENCH
AIR COMPRESSOR
COMPUTER WHEEL BALANCER WB 230
1.6-TON CAP AIR OPER END LFT WALK
HOT WATER HIGH PRESSURE CLEANER
WHEEL ALIGN RACK W/JACKS 34018
ANALYZER ENGINE SUN 32761
EXHAUST ANALYZER HMLTON MDL#CVI
INFRA-RED EXHAUST GAS ANALYZER
AUTOMATIC TIRE CHANGER SN111-50-801
ELECTRIC DRILLS
ASSORTED SHOP MANUALS
15-TON HYDRAULIC LIFT
HYDRAULIC PRESS
HIGH PRESSURE CLEANER
12-DRAWER ROLL CABINET
20 ASST SKT STS MET/SNDRD
TOOL BOX SNAP-ON
BOTTEM

FLEET MANAGEMENT PROGRAM

AT&T CPU #0109314 KEYBOARD SN1682932
6300 PC MICRO W/384 RAM SN0201206
AT&T CPU SN236261 KEYBOARD MONITOR
BILLING MODULE
PREVENTIVE MAINT MOD
PRINTER SHARING W/BUFFER SNMB0721
BACKUP HARD DRIVE FR SUNOL SYS
BILLING MODULE
PC, KEYBOARD MONITOR
PC, MONITOR KEYBOARD

MODI TO CUSTOMIZE SOFTWARE
CREDIT CARD MACHINE
MATH CO-PROCESSOR
AT&T CPU KEYBOARD COLOR MONITOR
AT&T CPU KEYBOARD COLOR MONITOR
2 BILLING MODULES
BACKUP HARD DRIVE FOR SUNOL SYS
UTILIZATION MODULE
QUADLAZER PRINTER MODEL LS 1100
IBM DMA MX 4
AT&T CPU KEYBOARD & MONITOR
PRINTER SHARING W/BUFFER SNMB0721
COMPUTER MONITOR KEYBOARD
BILLING MODULE
AT&T CPU KEYBOARD COLOR MONITOR
6300 PC MICRO W/512K RAM SN0120242
MATH CO PROCESSOR
CREDIT CARD MACHINE
ELECTRO TEL PH SYS AMOR, 04, 06
COMPUTER MONITOR KEYBOARD
RICON LIFT BATT BELTS SWITCH
COLOR MONITOR
6300 PC MICRO 2/384K RAM SN0201274
CREDIT CARD MACHINE
AT&T CPU KEYBOARD COLOR MONITOR
BILLING MODULE
2 EACH IBM DMA BOARDS 34/26 PIN AD
1 SUB-COMPACT
28 COMPACT PASSENGER SEDANS
578 MIDSIZE PASSENGER SEDANS
34 FULLSIZE PASSENGER SEDANS
260 PICKUP TRUCKS 1/2 AND 3/4 TON
122 PASSENGER VANS
81 CARGO VANS
7 HIGH CUBE VANS
1 BUS, 31 TO 50 PASSENGER
1 FLATBED TRUCK, 1 TON

CENTRAL STORES

SHRINK WRAP & SEALER
PORTABLE DOCK LEVELER
PALLET JACK 4500# CAPACITY
FORKLIFT
NCI MODEL 8205 COUNTING SCALE
BIG JOE PALLET LIFT SN74128
ELECTRONIC SCALE SNF785004

MAIL SERVICES SECTION

METERING MACHINE PB 6100
SEALER MAIL MACHINE
PB 1860 FOLDER SN5165
714 FOLDER SN 83J-143
FRIEDEN ELECTR SCALE SN871072006
PITNEY BOWES METER
PITNEY BOWES METER AND STACKER
6100 MAIL MACHINE 043521
ELECTRONIC SCALE MDL5890 SN7020
ELECTRONIC SCALE MDL5890 SN8151
METERING MACHINE 5655 SN4320
METERING MACHINE 5655 SN4322
6100 MAIL MACHINE SN043753
LIBRA ELECTRONIC POSTAGE SCALE 24 LBS
2 PCS/7MINI-PACS/2PRNTRS/ISCALE
ELECTRONIC SCALE MDL5890 SN2874
ELECTRONIC SCALE MDL5890 SN7015
XEROX 763 LABELER SN28867
PB 1800 FOLDER SN32885
PB INSERTER MAX
PB 1861 FOLDER SN13331
PB ADDRESSOR PRINTER
PRINTER DI 3100 SN020641 W/MANUAL
AUTOMECHA LABELER/ACCUFAST 1
ABE PERFORATOR SN50044
CONVEYER BELT
SORT MODULE
METER HEAD MODEL RTPH-1 S0581

39 Spending Authority

PART I DEPARTMENT OF ADMINISTRATION

APPROPRIATION FROM

	ITEM & SUBTOTAL \$	TOTAL \$	GENERAL FUND \$	CASH FUNDS \$	FEDERAL FUNDS \$
(2) CENTRAL SERVICES					
(A) Administration Section					
Personal Services	392,465				
	(12.5 FTE)				
Operating Expenses	152,710				
Indirect Cost Assessment	22,763				
Purchase of Services					
from Computer Center	255,723				
	823,661			823,661(T)a/	
a/These funds shall be from user fees.					
(B) Print Shop and Graphics					
Personal Services	715,756				
	(29.1 FTE)				
Operating Expenses	580,859				
Indirect Cost Assessment	30,583				
	1,327,198			1,327,198(T)a/	
a/These funds shall be from user fees.					
(C) Copiers					
Personal Services	64,679				
	(2.0 FTE)				
Operating Expenses	682,098				
Indirect Cost Assessment	17,724				
	764,501			764,501(T)a/	
a/These funds shall be from user fees.					
(D) Microfilm					
Personal Services	142,608				
	(8.0 FTE)				
Operating Expenses	63,195				
Indirect Cost Assessment	5,908				
	211,711			211,711(T)a/	
a/These funds shall be from user fees.					
(E) Quick Copy Center					
Personal Services	129,146				
	(7.0 FTE)				
Operating Expenses	229,754				
Indirect Cost Assessment	10,600				
	369,500			369,500(T)a/	
a/These funds shall be from user fees.					
(F) Motor Pool/Garage/Fleet					
Management 3/					
Personal Services	330,173				
	(14.5 FTE)				
Operating Expenses	1,852,549				
Indirect Cost Assessment	35,275				
	2,217,997			2,217,997(T)a/	
a/These funds shall be from user fees.					

		APPROPRIATION FROM			
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$
(G) Central Stores					
Personal Services	213,050				
	(8.5 FTE)				
Operating Expenses	2,005,500				
Indirect Cost Assessment	12,337				
	<u>2,230,887</u>			2,230,887(T)a/	
a/These funds shall be from user fees.					
(H) Mail Services					
Personal Services	1,005,702				
	(40.9 FTE)				
Operating Expenses	2,202,494				
Indirect Cost Assessment	36,838				
	<u>3,245,034</u>			3,245,034(T)a/	
a/These funds shall be from user fees.					
(I) North Campus Operations					
Personal Services	56,606				
	(2.0 FTE)				
Operating Expenses	20,889				
Utilities	28,237				
Indirect Cost Assessment	1,738				
	<u>107,470</u>			107,470(T)a/	
a/These funds shall be from user fees.		11,297,959			

Central Services receives no appropriated funds. Instead it receives from the General Assembly "spending authority." That is, the Division is allowed by the General Assembly to spend a specified portion of the revenues it generates by charging users of its services the full cost of goods and services consumed.

The Long Bill of the First Regular Session of the Fifty-Sixth General Assembly (Senate Bill 218) is reproduced here in relevant part to indicate the Division's spending authority during the period of operations covered by this annual report. Supplemental spending authority, if any, is not included.

40 Interagency Agreement

CONTRACT ROUTING NUMBER DCS 8788-4

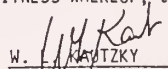
INTERAGENCY AGREEMENT

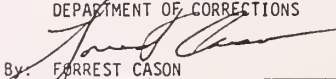
THIS INTERAGENCY AGREEMENT is made this 21st day of October, 1987, by and between the Department of Corrections, whose address or principal place of business is 1580 Lincoln Street, Denver, CO 80203 (hereinafter Corrections), and the Department of Administration, 1525 Sherman Street, Denver, CO 80203 (hereinafter Administration).

WHEREAS, pursuant to footnote #12 of S.B. 218, the parties are directed to enter into an agreement to determine which of Correction's goods and services are suitable to Administration for continuing and regular purchases.

1. The parties agree to arrange a meeting(s) between the appropriate staff members of each party, prior to November 15, 1987, to determine which goods and services available through Corrections, Division of Correctional Industries, are suitable to Administration for purchases.
2. Upon completion of determining which goods and services are suitable to Administration, the parties will endeavor to develop an agreement for the purchase of such goods and services.
3. That the Division of Central Services will advertise and sell through its Central Stores Catalog office furniture and janitorial supplies manufactured by Correctional Industries starting January 1, 1988.
4. That the Division of Central Services and the Division of Correctional Industries will immediately begin to evaluate all printing performed by other state agencies in the metro Denver area to determine what types could be produced by Correctional Industries and Central Services. This evaluation will include criteria for determining in which shop this work will be produced.
5. That Correctional Industries will adhere to mutually agreed delivery schedules and quality standards.
6. That Correctional Industries will develop and charge competitive rates as compared to Central Services and private sector.
7. In order to minimize overtime and the use of private sector print shops, Central Services agrees to immediately begin sending some long run insensitive material to the Correctional Industries' print shop, as long as Correctional Industries can meet price, quality, and delivery standards.
8. That Correctional Industries immediately begin to evaluate the continuous forms and snap out forms market for possible equipping to handle this work.
9. That Correctional Industries develop alternate plans of production to cover possible prison shut downs, excessive absenteeism, equipment problems, etc.
10. The signatories aver that to their knowledge, no state employee has a personal or beneficial interest whatsoever in the service or property described herein.

IN WITNESS WHEREOF, the parties hereto have execute this Agreement.

By: 
W. KATZKY
EXECUTIVE DIRECTOR
DEPARTMENT OF CORRECTIONS

By: 
FORREST CASON
EXECUTIVE DIRECTOR
DEPARTMENT OF ADMINISTRATION



STATE OF COLORADO

OFFICE OF STATE AUDITOR
(303) 866-2051

TIMOTHY M. O'BRIEN, C.P.A.
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203

COLORADO'S STATE MOTOR VEHICLE FLEET PERFORMANCE AUDIT DECEMBER 1987 REPORT SUMMARY

This performance audit of the State motor vehicle fleet was conducted under the authority of Section 2-3-103, C.R.S. The completion of this study was greatly facilitated by the input and assistance of the State Motor Vehicle Task Force organized by the State Auditor's Office. This Task Force represented state agencies that own and operate motor vehicles. The National Transportation Consulting Group of Ernst & Whinney, through contractual arrangement, assisted in developing the structure, analytical models, and comparative data for the study. Data for this report were collected between February and November 1987.

The State of Colorado owns and operates between 9,000 to 10,000 motor vehicles, 59 maintenance facilities, and 719 fuel tanks. The State spent between \$35 and \$40 million on motor vehicles in FY 1987.

As part of our audit we addressed several issues including:

- *The size and composition of the state's motor vehicle fleet.*
- *Policy, planning, and budgeting for state motor vehicles.*
- *State motor vehicle information.*
- *Maintenance of state motor vehicles.*
- *The need for, as well as the role, funding, and management of the Department of Administration's Fleet Management Program.*

These issues are summarized below.

Fleet Size and Composition

We distributed a survey questionnaire to obtain information on each state owned vehicle and received 8,190 responses. This survey identified 3,251 vehicles that are candidates for elimination, more efficient use, or replacement with different vehicles.

We estimate potential annual savings of over \$1 million could be realized by improving the management of these vehicles.

Candidates For Elimination

State vehicles were identified as candidates for elimination if:

- *The vehicle was unnecessary. (6 vehicles)*
- *The importance of the vehicle was ranked as merely convenient. (108 vehicles).*
- *The amount of personal use of the vehicle exceeded 75 percent of its total use. (4 vehicles)*

Elimination of these vehicles could result in estimated annual savings to the State of \$268,133.

Candidates For More Efficient Use

Vehicles were identified as candidates for improved or increased use if:

- *The vehicle was a passenger vehicle or light truck and in use less than 4 hours each day and could be matched with another same-type vehicle receiving less than 4 hours use each day. (410 vehicles)*
- *The vehicle was not in use for at least one month of the year. (Seasonal vehicles were excluded.) (638 vehicles)*
- *The vehicle was a passenger vehicle or light truck and received less than 8,000 miles use in FY 1987. (1,263 vehicles)*

Increasing and improving the use of these vehicles could result in estimated annual savings to the State of \$690,550.

Candidates For Replacement With Different Vehicles

State vehicles were identified as candidates for replacement with different vehicles if:

- *The vehicle was larger than the normal use of the vehicle required it to be. (150 vehicles)*

Report Summary continued

- *The driver or person responsible for the vehicle stated that a different vehicle would better meet his/her needs. (390 vehicles)*
- *Its age, cumulative mileage, or cost per mile recommended replacement. (282 vehicles)*

Replacing vehicles that are larger than the normal need required could result in estimated annual savings to the State of \$47,037. We were not able to estimate potential cost savings for the other two categories due to insufficient information.

How Should Changes In The State's Fleet Be Accomplished?

We are recommending three actions to accomplish changes in the state's motor vehicle fleet:

- *Immediate action by each state agency to determine the feasibility of the proposed changes and to make the proposed changes as soon as is practicable.*
- *Appointment of a State Motor Vehicle Advisory Council by the Department of Administration. This Council would be delegated the authority and responsibility for establishing and enforcing consistent state-wide standards for state motor vehicles. This Advisory Council should be made up of individuals appointed from agencies that own and operate motor vehicles.*
- *Follow-up study by the State Auditor's Office to determine the extent to which fleet operations have been improved by the agencies and the State Motor Vehicle Advisory Council.*

Policy, Planning, and Budgeting for State Motor Vehicles

In 1980, a task force appointed to study the management and efficiency of the state's motor vehicle fleet recommended that the "...Governor and Legislature work together to establish a consistent, professional management philosophy to guide the operation of the vehicle fleet." While some progress has been made in managing the state's motor vehicle fleet, there is, by no means, a consistent, professional management philosophy. We found problems in three areas:

- *There is a lack of consistent state-wide standards for vehicle justification, cost accounting, vehicle replacement, and personal use of state vehicles.*

- *Budget policies discourage efficient management of state vehicles.*
- *There is a lack of coordination and sharing of state motor vehicle resources such as maintenance facilities and fuel tanks.*

We are recommending that the State Motor Vehicle Advisory Council 1) develop consistent state-wide standards for vehicle justification, vehicle cost accounting, and vehicle replacement; 2) recommend a budget process that encourages the efficient management of the state's motor vehicle fleet; and 3) serve as a resource broker or clearinghouse to coordinate and facilitate the sharing of motor vehicle resources among agencies.

Motor Vehicle Information

We found that the information with which to manage the state motor vehicle fleet is currently inadequate.

With no coordination of current motor vehicle information systems, the State does not have comparable information on motor vehicle operations among agencies. Consistent standardized information about the fleet is needed to:

- *Maintain an accurate and up-to-date motor vehicle inventory, to report on the investment in and annual cost of the state's motor vehicle fleet and on efficiencies achieved through improved management of the fleet, and to estimate the future needs and costs of the fleet.*
- *Monitor vehicle use to identify and eliminate unnecessary vehicles, encourage sharing of motor vehicle resources, ensure that vehicles match users' needs, and control personal use of state vehicles.*
- *Monitor vehicle performance to identify and replace vehicles not performing adequately and performing at too high cost, and to identify maintenance needs before a breakdown occurs.*
- *Control maintenance to ensure adequate preventive maintenance occurs, to take advantage of maintenance and parts warranties, and to identify additional maintenance problems.*
- *Monitor vehicle safety to identify and communicate safety problems with certain types and uses of vehicles to other users of the same type of vehicle.*

- *Monitor driver performance to allow corrective action when a driver poses a high safety risk or is driving in an uneconomical manner.*
- *Monitor maintenance facility use to identify facility equipment and personnel needs and to coordinate facilities for peak and slack maintenance demand periods.*
- *Monitor mechanic performance with established standards, to facilitate scheduling of maintenance jobs, and to allow corrective action for inadequate performance.*

We are recommending that a central motor vehicle information system be developed by the State Motor Vehicle Advisory Council to capture common and comparable data elements on all motor vehicles owned and operated by state agencies.

Maintenance of State Motor Vehicles

Vehicle maintenance involves inspection, preventive maintenance, and repair to ensure safe, reliable, and efficient vehicle performance. We identified several areas where improvements can be made.

- *Approximately 5,400 state-owned vehicles are maintained at 59 state-operated maintenance facilities on a regular basis. Of the 237 total work bays in state facilities, only 36, or 15 percent, are equipped with hydraulic lifts and only one has a grease pit. Because of the additional time and effort required to jack up vehicles to perform work underneath, as well as the increased safety risk, mechanic productivity is significantly lessened and, correspondingly maintenance costs increase.*
- *The ratio of vehicles to mechanics at state maintenance facilities is lower than industry averages, suggesting that state maintenance facilities may be over staffed. It appears that maintenance workload increases or staffing level reductions may be possible which would result in annual savings of between \$546,000 and \$1,274,000.*
- *Our review of maintenance programs at state agencies revealed that preventive maintenance is inconsistent across agencies, inadequately developed and applied in many agencies, and non-existent in others.*

We are recommending that the State Motor Vehicle Advisory Council 1) determine specific maintenance equipment and facility improvement needs of all state-operated

maintenance facilities and identify the costs and benefits of meeting these needs; 2) make a detailed study of maintenance facilities and personnel use in order to identify opportunities to improve the use of these resources; and 3) formulate guidelines and standards for agencies to follow in developing and implementing a preventive maintenance program.

The Department of Administration's Fleet Management Program

The Fleet Management Program is operated by the Division of Central Services in the Department of Administration. The Program owns motor vehicles and leases them to various state agencies. The Program was created in order to make the operation of the state's motor vehicle fleet more economical.

We found there is a definite need for the Fleet Management Program. The Program has improved the operations of the portion of the state's motor vehicle fleet under its control. However, the Program has been hindered by problems with its role, funding, and information system.

The role of the Fleet Management Program has not been well defined. As a result, it is unclear what the Program should accomplish or which agencies should participate in the Program.

We are recommending that Fleet Management Program make its primary focus to providing motor vehicles and services to participating agencies. We also are recommending that only those agencies that require specialized use or type of vehicles and have the ability to manage their vehicle fleets should be exempt from the Program. The State Motor Vehicle Advisory Council should determine which agencies meet these criteria.

The method of funding for the Fleet Management Program has caused confusion in two areas: the source of funds used by the Program to purchase vehicles, and the method of funding agency lease payments. As of November 1987, the Fleet

Report Summary continued

Management Program had a loan balance with the State Treasury of \$6.3 million. Based on the level of current lease payments, the Program cannot maintain current operations, pay off the loan balance with the Treasury, and replace vehicles in an economical manner. Thus the Program will continue to maintain a significant loan balance with the Treasury.

When the Fleet Management Program was created it was done so with the expectation that it would result in savings to the state. These savings would occur from reduced operating costs when replacing older vehicles with newer vehicles. It has not been possible to quantify these savings because of the lack of cost information maintained by agencies on old vehicles.

We are recommending that the Fleet Management Program work with state agencies to estimate the savings in operating costs when vehicles are replaced.

During fiscal year 1988, the Fleet Management Program did not receive any spending authority to purchase new vehicles. Our survey of the state fleet found that about 20 percent of the vehicles were older than 15 years and about 13 percent were 10 to 15 years old.

Older vehicles are less fuel efficient, emit higher levels of pollutants, and are more subject to breakdowns. Therefore, we believe it would be prudent to provide some funding to the Program during fiscal year 1989 to replace older vehicles. We are recommending that the Fleet Management Program provide data to the Joint Budget Committee on the need for vehicle replacements and request necessary spending authority.

Department of Administration's Response to Audit Recommendations

The Department of Administration agrees with all the recommendations made in this report. It believes the Fleet Management Program has developed certain guidelines and data systems that could be adapted to other fleets within the State. The Department will continue to make every effort possible to provide necessary information to the Joint Budget Committee.

STATE OF COLORADO

EXECUTIVE CHAMBERS
136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471

EXECUTIVE ORDER D0075-88



Roy Romer
Governor

EXECUTIVE ORDER

MOTOR VEHICLE MANAGEMENT AND CONTROL

WHEREAS, the State of Colorado should manage and control its motor vehicle fleet to maximize efficient use and reduce the need to acquire motor vehicles; and

WHEREAS, there should be uniform standards for the acquisition, ownership, allocation, and disposal of certain motor vehicles, together with a program of data collection to provide a centralized information data base through which to better track and manage passenger automobiles, vans, and light trucks (three-quarter ton and less) owned and operated by the State of Colorado.

NOW, THEREFORE, I, Roy Romer, Governor of the State of Colorado, pursuant to the authority vested in me under the constitution and laws of Colorado, DO HEREBY ORDER THAT:

1. The executive director of the Department of Administration ("executive director") in consultation with the State Motor Vehicle Advisory Council, established pursuant to Executive Order D0067-88, shall develop uniform standards for the acquisition, ownership, allocation, maintenance, and disposal of motor vehicles by all departments of state government, including higher education. Said standards shall embody sound fleet management principles and shall provide, at a minimum, the following:
 - a. The criteria of justification to be satisfied before any new motor vehicle is acquired or any old motor vehicle is replaced;
 - b. The standards and procedures for cost accounting on all motor vehicles;
 - c. The criteria of reasonable use according to which under-used motor vehicles may be reallocated, shared, or replaced with smaller vehicles in the interest of economy and efficiency;
 - d. The criteria for the routine replacement of aging, defective, or worn-out motor vehicles;

EXECUTIVE ORDER

MOTOR VEHICLE MANAGEMENT AND CONTROL

—PAGE TWO

- e. The information to be gathered and kept on each motor vehicle;
 - f. A plan for developing criteria and procedures for efficient use and sharing of maintenance facilities and fuel storage or dispensing tanks.
2. The executive director is hereby authorized and directed to conduct an inventory of all motor vehicles and in connection therewith to establish and maintain a centralized file of information on all such motor vehicles. This file shall contain such information as the executive director deems necessary for the adequate tracking and management of the state motor vehicle fleet and shall be routinely updated to reflect changes in the age, condition, status, or similar characteristics of each such motor vehicle. The information contained in the file shall be made available to the state auditor, the General Assembly, and others legitimately interested in the operation of the motor vehicle fleet.
 3. Every department, when acquiring any motor vehicle, shall provide, on a form provided by the Department of Administration, such information regarding the motor vehicle and its use as may be required by the executive director. Each department shall further maintain motor vehicle logs on all motor vehicles containing such information as may be required by the executive director and shall make said logs available upon request to the Department of Administration for the purposes of updating the information files maintained by said department.
 4. Applying the uniform standards developed pursuant to this executive order, the executive director shall determine whether any proposed acquisition or replacement of any motor vehicle is justified and whether, if justified, the need can be met by the reallocation of another motor vehicle already owned by the state. No motor vehicle shall be acquired if found to be unjustified according to the standardized criteria adopted by the Department of Administration. Any justified need that can be met by reallocation shall be so met, and the executive director shall have the authority to order, and shall order, the reallocation of any under-used motor vehicle to meet justified needs elsewhere in state government as well as the replacement of any motor vehicle with a suitable motor vehicle of smaller size. When any motor vehicle is

EXECUTIVE ORDER

MOTOR VEHICLE MANAGEMENT AND CONTROL

PAGE THREE

transferred from any department pursuant to this subsection, the executive director shall arrange for appropriate reimbursement to the department from which the motor vehicle is transferred.

5. All motor vehicles acquired by any department, except those which are to become part of the fleet management program established pursuant to this executive order, shall be acquired through the Department of Administration. Whenever any department has both a justified need according to the uniform standards promulgated pursuant to this executive order and sufficient moneys available through regular appropriations, the Department of Administration shall arrange for acquisition of the motor vehicle. Any contract for the purchase of motor vehicles shall include, as a term of said contract, that all documentation on any motor vehicle purchased by the state, including title documents, a copy of the bill of sale and a statement of the name of the person or agency taking actual delivery of the motor vehicle, shall be delivered by the seller directly to the Department of Administration or to such place or person as the executive director shall specify. The Department of Administration shall then transfer the motor vehicle to the acquiring department, retaining the title in the custody of the executive director, who shall enter the motor vehicle into the records kept by the department.
6. Disposal of any motor vehicle shall occur either by transferring the same to the Department of Administration for sale at auction or as otherwise determined by the executive director. Prior to any such sale, the Department of Administration shall determine whether the motor vehicle might be reallocated to another department rather than sold. If it is determined that reallocation would be more cost-effective, the Department of Administration shall transfer the motor vehicle accordingly. The proceeds received from the sale of any motor vehicle purchased with designated cash funds, federal funds, or highway users tax fund moneys, less reasonable costs of sale, shall be reimbursed to the department from which the motor vehicle was transferred for disposal. All other proceeds after deduction of costs of sale shall be remitted to the general fund.
7. Upon completion of the initial inventory conducted pursuant to this executive order and upon employing the standards and

E X E C U T I V E O R D E R

MOTOR VEHICLE MANAGEMENT AND CONTROL

PAGE FOUR

criteria adopted pursuant to it, the executive director shall target for sale those motor vehicles which do not meet the established criteria. Said sale shall commence no later than July 1, 1989.

8. The executive director shall establish a program for the purchase, maintenance, management, and operation of a fleet of motor vehicles to be available for lease to all departments. In connection with the operation of the fleet management program established under this section, the executive director shall have the following powers and duties:
 - a. To assign any motor vehicle in the fleet management program to any department for use in the transaction of state business under such conditions and at such operation cost per mile, chargeable to the department, as he prescribes;
 - b. To provide for the storage, maintenance, repair, and replacement of all motor vehicles in the fleet management program;
 - c. To establish criteria and procedures for the fleet management program and prescribe such rules and regulations as may be necessary to carry out the provisions and purposes of this section.

GIVEN under my hand and the
Executive Seal of the State of
Colorado, this 11th day of June,
1988.



Roy Romer
Governor

D0067 88

STATE OF COLORADO

EXECUTIVE CHAMBERS
136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471



Roy Romer
Governor

E X E C U T I V E O R D E R

WHEREAS, efficiency in providing state government services is a fundamental requirement of this administration;

WHEREAS, if cost savings and efficiencies can be achieved through better management of the state's fleet, I support pursuing those savings; and

WHEREAS, periodic review of management policies and procedures is necessary to ensure optimal utilization of the state's resources;

NOW THEREFORE, I, Roy Romer, Governor of the State of Colorado, by virtue of the authority vested in me under the constitution and laws of the State of Colorado, DO HEREBY ORDER THAT:

1. A State Motor Vehicle Advisory Council is created to develop statewide policy recommendations for effective and efficient management and utilization of state motor vehicles. Recommendations shall include, but are not limited to, the following policy needs:
 - (a) Standards for managing the use of motor vehicles for all departments and agencies, including higher education;
 - (b) Standards for justification of new vehicles and replacement vehicles;
 - (c) Methods for developing and implementing consistent cost accounting data which will be used by all state vehicle users;
 - (d) Methods for coordinating and sharing motor vehicles among all state departments;
 - (e) A plan for implementing a central management information system for all state motor vehicles;
 - (f) A plan for coordinating and/or sharing of maintenance facilities, gasoline facilities and resources;

D0067 88

Executive Order
Page Two

- (g) Financing mechanisms for purchasing and replacing state motor vehicles, including leasing alternatives; and
 - (h) Cost effective options for providing motor vehicle transportation that enhances state employee job performance.
2. The council shall be appointed by the Governor and will include representatives of state departments, agencies and institutions, including higher education. The executive director of the department of administration, or his designee, shall chair the advisory council.
 3. The institutions of higher education will cooperate fully with the executive director of the department of administration in providing any requested information that will aid the council in making its recommendations.
 4. The council shall submit its recommendations and report to me with an action plan no later than July 1, 1988.

GIVEN under my hand and the
Executive Seal of the State of
Colorado this 5th day of April
1988.



Roy Rómer
Governor



44 Personnel Inventory

This chart satisfies the requirements of Colorado Revised Statute 24-30-1109(1)(c) to report Central Services' personnel inventory. Totals are reported in terms of full-time equivalent employees (FTEs) as of the last day of Fiscal Year 1987-1988. The chart does not reflect any positions in the Central Collection Service because until the end of this reporting period all such positions were reflected in the manning of the Division of Accounts and Control, Department of Administration.

NAME	CLASS	CLASS TITLE	NAME	CLASS	CLASS TITLE
Erlinda Perez	A2308B	SR ADMINISTRATIVE CLERK	Carlos Dorrance	A2302X	CLERICAL ASSISTANT B
Li-Fen Chang	A2303X	CLERICAL ASSISTANT C	Paul Jensen	A1010X	PROGRAM ADMINISTRATOR I
Elizabeth Evans	A2602X	SR DUPL EQUIP OPR	Mark Eirhart	A2605X	MICROGRAPHIC TECH B
Stephen Kaiser	A4550X	VEHICLE DRIVER	Richard Weaton	A4550X	VEHICLE DRIVER
Gloria Borland	A1001B	STAFF ASSISTANT II	Steven Briles	A2040X	STOCK CLERK
Karen Romero	A2621X	BINDERY EQUIP OPR B	Vicki Bottenberg	A1000B	STAFF ASSISTANT I
Linda Yost	A2611X	TYPESETTING EQUIP OPR B	Joan Sevcik	A2753B	SR COMPUTER PROGRAMMER
Rathemus Smith	A2302X	CLERICAL ASSISTANT B	Ellen King	A2700A	DATA ENTRY OPERATOR A
Gloria Rodriguez	A2302X	CLERICAL ASSISTANT B	Larry Bartelbort	A2301X	CLERICAL ASSISTANT A
Henry Maestas	A2631C	PRINTER II	George Rupinen	A2302X	CLERICAL ASSISTANT B
Renée Padilla	A2730X	REMOTE JOB ENT TERM OPR A	Theodore Abad	A2330X	CLERICAL SUPERVISOR II
Lois Maxwell	A2621X	BINDERY EQUIP OPR B	Bradley Marks	A1011X	PROGRAM ADMINISTRATOR II
Rhonda Roybal	A2308B	SR ADMINISTRATIVE CLERK	Robert O'Lear	A2635X	PRINTING PLANT SUPV II
Rick Ciminelli	A2681X	GRAPHIC DESIGN TECH B	Kathryn Dickerson	A2622X	SR BINDERY EQUIP OPR
Billie Halley	A2303X	CLERICAL ASSISTANT C	Albert Gunderson	A2631A	PRINTER II
Barbara Ray	A2605X	MICROGRAPHIC TECH B	Albert Tanguma	A2631A	PRINTER II
William McClelland	A2330X	CLERICAL SUPERVISOR II	Eleanor Kellems	A2633B	PRINTER IV
Diana Johnson	A2303X	CLERICAL ASSISTANT C	Lila Hann	A2631A	PRINTER II
Philip Dunkel	A2303X	CLERICAL ASSISTANT C	Robert Seiler	A2631A	PRINTER II
Lynn Arguello	A2602X	SR DUPL EQUIP OPR	Robert Barefield	A2404F	STOREKEEPER B
Eugene McClanahan	A4550X	VEHICLE DRIVER	Phyllis Chavez	A2631A	PRINTER II
Charleston Wimbs	A4550X	VEHICLE DRIVER	Paul Dickerson	A2633A	PRINTER IV
Brenda Carrillo	A2306B	ADMINISTRATIVE CLERK	Paul Stempion	A1008X	ADMIN OFFICER II
Valerie Van Beek	A2604X	MICROGRAPHIC TECH A	Cecille Sutton	A2604X	MICROGRAPHIC TECH A
Stephen Wilkerson	A2602X	SR DUPL EQUIP OPR	Diana Dixon	A2631A	PRINTER II
Robert Giovanni	A4573X	AUTOMOTIVE MAINT WORKER	Denise Gomez	A2330X	CLERICAL SUPERVISOR II
Freddie Trujillo	A2328X	CLERICAL SUPERVISOR I	Larry Adamson	A2631B	PRINTER II
Eloy Lucero	A2308B	SR ADMINISTRATIVE CLERK	Jeff Lukens	A4550X	VEHICLE DRIVER
Thomas Bainton	A2308B	SR ADMINISTRATIVE CLERK	Jack Keene	AA1013X	DIR-DIV OF CENTRAL SER
Michael Thomas	A2308B	SR ADMINISTRATIVE CLERK	Nanette Bales	AA2605X	MICROGRAPHIC TECH B
Shirley Delgado	A2303X	CLERICAL ASSISTANT C	Tonya Douglas	AA2303X	CLERICAL ASSISTANT C
Carolynne Dionese	A2302X	CLERICAL ASSISTANT B	Robert Upham	AA2332X	CLERICAL SUPERVISOR III
Cheri Bryson	A2602X	SR DUPL EQUIP OPR	John Lawless	A2404F	STOREKEEPER B
Helen Nopens	A1007X	ADMIN OFFICER I-B	Frank Cozine	A2404F	STOREKEEPER B
Kevin Cruise	A2306B	ADMINISTRATIVE CLERK	Gordon Zobell	A2632A	PRINTER III
Victoria Capra	A2308B	SR ADMINISTRATIVE CLERK	Joseph Christenson	A2631A	PRINTER II
Joseph Smith	A1008X	ADMIN OFFICER II	Marion Ray	A2303X	CLERICAL ASSISTANT C
Deborah Handershan	A2612X	SR TYPESETTING EQUIP OPR	Randy Romero	A4550X	VEHICLE DRIVER
Sarah Gomez	A2600X	DUPL EQUIP OPR A	Barbara Baskin	A2332X	CLERICAL SUPERVISOR III
Norman Wilson	A1007X	ADMIN OFFICER I-B	Wayne Lewis	A2680X	GRAPHIC DESIGN TECH A
Linda Dobrinich	A1000B	STAFF ASSISTANT I	Cecil Sharp	A4550X	VEHICLE DRIVER
Michael Lafferty	A1008X	ADMIN OFFICER II	William Fetherston	A4550X	VEHICLE DRIVER
Mary Bentzinger	A2302X	CLERICAL ASSISTANT B	Denise Sisneros	A2308B	SR ADMINISTRATIVE CLERK
David Miller	A4550X	VEHICLE DRIVER	James Twark	A1009X	ADMIN OFFICER III
Ruben Ostby	A4802X	MAINTENANCE MECHANIC	Marc Wilkerson	A2632C	PRINTER III
James Schrambeck	A4804X	SR MAINTENANCE MECHANIC	Glenn Fox	A1008X	ADMIN OFFICER II
Mary Torrez	A1000B	STAFF ASSISTANT I	John Whitehurst	A2623X	PRIN BINDERY EQUIP OPR
Scott Renville	A2766X	INFORMATION EQUIP OPR C	Michael St. Peter	A2684X	GRAPHIC DESIGNER C
Lisa Follett	A1000B	STAFF ASSISTANT I	Penny Adkins	A1000B	STAFF ASSISTANT I
Theodore Renville	A2605X	MICROGRAPHIC TECH B	Leta Wilkerson	A2602X	SR DUPL EQUIP OPR
Irene Gordy	A2330X	CLERICAL SUPERVISOR II	Robert Romero	A2632A	PRINTER III
Nancy Behrens	A2308A	SR ADMINISTRATIVE CLERK	Gilbert Thomas	A2332X	CLERICAL SUPERVISOR III
Patty Cisneros	A2308B	SR ADMINISTRATIVE CLERK	Shirley Carr	A2306B	ADMINISTRATIVE CLERK
David Kittredge	A2767X	INFORMATION EQUIP SPEC A	Doris Couturier	A2303X	CLERICAL ASSISTANT C
Jon Goldstein	A1007X	ADMIN OFFICER I-B	Gerry Zejda	A2303X	CLERICAL ASSISTANT C
Gerald Albrecht	A2410X	SUPV SUPPLY OFFICER	Donald Thordsen	A2306B	ADMINISTRATIVE CLERK
Germaine Plunkert	A2324X	SECRETARY	Camen Freeman	A2303X	CLERICAL ASSISTANT C
Lawrence Ryan	A2328X	CLERICAL SUPERVISOR I	Kathleen Pennucci	A1008X	ADMIN OFFICER II
Susan Shook	A2040X	STOCK CLERK	James Jackson	A2686X	DESIGN/ART DIRECTOR
Marcella Lewis	A2701A	DATA ENTRY OPERATOR B	Steven Slane	A2683X	GRAPHIC DESIGNER B
Ken Torrez	A2301X	CLERICAL ASSISTANT A	Orlando Otero	A4575X	AUTOMOTIVE & EQUIP MECH

FULL-TIME EQUIVALENT EMPLOYEES
OTHER EMPLOYEES (FULL-TIME EQUIVALENTS)

109.000
6.742

In Memoriam
Lloyd Clark Kellems

Members of the Division were saddened by the death Monday, December 21, 1987 of Lloyd C. Kellems, assistant division director and long-term State employee, in Westminster, of an apparent heart attack. Mr. Kellems was born December 29, 1933 in Lewisport, Kentucky. He joined the Division after retiring from enlisted service in the United States Air Force in 1972. He is survived by his wife Eleanor (Nora) Kellems, also a Division employee, a brother, a sister, children and grandchildren. Internment was at Fort Logan National Cemetery.

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